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A REVIEW OF PRESIDENT CLINTON'S CERTIFICATION  
PROGRAM FOR NARCOTICS PRODUCING AND TRANSIT  
COUNTRIES IN LATIN AMERICA

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A Review of President Clinton's Cer...

HEARING  
BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTH CONGRESS  
FIRST SESSION

MARCH 29, 1995

Printed for the use of the Committee on International Relations



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1995

91-341 CC

For sale by the U.S. Government Printing Office  
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402  
ISBN 0-16-047318-7



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# A REVIEW OF PRESIDENT CLINTON'S CERTIFICATION PROGRAM FOR NARCOTICS PRODUCING AND TRANSIT COUNTRIES IN LATIN AMERICA

WEDNESDAY, MARCH 29, 1995

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,  
*Washington, DC.*

The committee met, pursuant to call, at 1:27 p.m. in room 2200, Rayburn House Office Building, Hon. Dan Burton (chairman of the subcommittee) presiding.

Mr. BURTON. I have called today's hearing to review the President's March 1, 1995 determinations regarding the certification of illicit narcotics producing and transit countries in Latin America. Due to the pressing time constraints of some of our witnesses and the fact that the Subcommittee on Asia and the Pacific is also holding a hearing at this time, my opening remarks will be brief.

The current certification process was established in 1986 in response to Congress' belief that the executive branch was not being tough enough on major drug producing and transit countries, especially when it shared other foreign policy goals with those countries. Each year, as mandated by section 490 of the Foreign Assistance Act, the President must prepare a list of major drug producing and transit countries.

Until the President certifies that these countries have fully cooperated to meet the counternarcotics goals of the 1988 U.N. convention against illicit traffic in narcotics and other substances, he must withhold approximately half of all U.S. foreign aid to them. The President can either certify a country as cooperating fully, deny certification or give a "vital national interest" certification.

If the President denies certification, then most foreign assistance to that country, with the exception of certain types of humanitarian and counternarcotics assistance is cutoff completely. The United States must also vote against any loans to the country in six multi-lateral development banks.

This year the President identified 29 countries as major drug producing or transit countries. Fourteen or almost half of these countries are in Latin America. Specifically, the President certified the Bahamas, Brazil, the Dominican Republic, Ecuador, Guatemala, Haiti, Jamaica, Mexico, Panama and Venezuela as cooperating fully with the United States in the war against drugs. The President determined that it was in the vital national security in-



terest of the United States to certify Bolivia, Colombia, Paraguay and Peru.

I would like to emphasize that several members of Congress have urged me to hold immediate hearings to examine the influence of drug traffickers over the Mexican and Colombian Governments. One of the reasons we are holding this hearing is because we are making a substantial contribution to the Mexican Government to try to pull them out of their economic chaos. If we find that there are some real problems down there with the drug trafficking, then of course that will influence future decisions in that regard.

I believe it is more appropriate to hold our first hearing on the President's certification determinations for the entire Western Hemisphere, before we focus on specific countries. I am hopeful that our witnesses will provide key insight into drug trafficking in these two countries that I just mentioned. Two out of every 3 tons of cocaine entering the United States still crosses the Mexican border.

In Mexico, the recent assassinations of two ruling party Presidential candidates and a Catholic cardinal appear to be linked to drug traffickers. When the peso was devalued last December, people expected a surge in illegal Mexican immigrants coming across our southern border.

What no one expected was former Mexican Government officials coming to cash in their hidden Texas bank accounts full of money provided by Mexico's drug cartels. At the U.S./Mexico border, the new line release Fifth Amendment, intended to speed the flow of cargo from Mexico into the United States by relaxing inspections, appears to have instead created a drug smugglers freeway.

I have talked to some of the people at the CIA who believe the high number of trucks coming across the border make it almost impossible to police. Seizures from commercial vehicles have dramatically dropped, while seizures from noncommercial vehicles are up; and 97 percent of all cocaine seizures still take place at the border. In total, it is estimated that \$7 billion worth of cocaine is smuggled across the border between the United States and Mexico.

In Colombia, despite the President's vital national security interest certification, reports appear just as bleak. Colombia is now regularly referred to as the world's first narco-democracy. It is a country whose economy, political system and society have been profoundly compromised and distorted by the wealth and power of the drug cartels.

Joe Toff, former head of the U.S. Drug Enforcement Administration in Bogota, recently said, "I cannot think of a single institution in Colombia with any judicial, legal or political influence which does not have problems or penetration by the narcotics traffickers".

In light of these depressing reports coming out of Latin America, I believe that this subcommittee must begin to consider new and innovative options for fighting the war on drugs. I have long advocated that we must apply more pressure on countries to eradicate coca with herbicides at their source.

Several members of Congress have also told me that it is time to limit the importation of legal commodities such as coffee and flowers from drug producing countries, if they fail to fully cooperate



in the war against drugs. In the future, I expect that our subcommittee will give serious attention to this "trade issue".

Before I yield to the ranking minority member, I would like to introduce today's witnesses. Testifying in our first panel will be the Honorable Robert S. Gelbard, Assistant Secretary of State for International Narcotics Matters. Because Mr. Gelbard must also testify before the Senate today, I would like to allow him to give his testimony and then answer questions from the subcommittee before we proceed to our second administration witness, the Honorable Thomas Constantine, Administrator of the Drug Enforcement Administration.

Testifying in our second panel will be Dr. William J. Olson, former Deputy Assistant Secretary of State for International Narcotics Matters in the Bush administration; and Mr. John P. Walters, president of the New Citizenship Project.

Our last witness is Eduardo Valle. Mr. Valle currently lives in the United States and is a journalist for *El Financiero*. Previously, Mr. Valle served as an adviser to Mexico's Attorney General under the Salinas administration. Mr. Valle fled to the United States in May of 1994 because of concerns about the influence of drug traffickers over the Mexican Government.

I would like to welcome all of you here today. I do ask that you keep your oral statements to 5 minutes. I would, however, like to ask the other subcommittee members if we could allow Mr. Valle to exceed 5 minutes since a significant portion of his time will be used for translation. For each witness, we will be happy to include your written statements in its entirety in the record. And with that, we will go ahead and start with your testimony.

**STATEMENT OF HON. ROBERT S. GELBARD, ASSISTANT SECRETARY FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, DEPARTMENT OF STATE**

Mr. GELBARD. Thank you, very much, Mr. Chairman. I appreciate the opportunity to appear before you today for the first time with Mr. Constantine to discuss narcotics concerns in the Western Hemisphere. Mr. Chairman, may I also take the opportunity at the start to thank you for accommodating the conflict in my schedule; I really appreciate it. I understand the demands on the subcommittee's time and how difficult it is to adjust hearings.

After I depart, I would appreciate it if my deputy, Mr. Jonathan Winer, Deputy Assistant Secretary, could sit in for me.

Mr. BURTON. That would be fine.

Mr. GELBARD. Thank you, sir. Mr. Chairman, I have a prepared statement which if you agree I will submit for the record, but in the interest of time I will summarize some of its key points.

This is the second year I have testified before Congress on the President's certification decisions under the International Narcotics Control Act. Last year I told the Congress that we would take the certification process seriously, perhaps more seriously than it has ever been taken before. Here is where we stand.

Last year the President found that 26 nations met the definition of major producer or transit nations under the Act. This year the number is 29. Two of those new nations are in the Western Hemisphere, Haiti and the Dominican Republic. Last year, three coun-

tries in the Western Hemisphere received less than full certification. This year there are four, Colombia, Peru, Bolivia and Paraguay.

Mr. Chairman, we do not mean to tell other nations how to conduct their domestic counternarcotics efforts. We do not mean to intervene in their sovereign rights and authority. We do not mean to engage in name calling with important partners. But we do mean to send two clear signals to all nations of the hemisphere.

First, the United States is concerned with the political commitment and the effort to combat this common hemispheric threat. Second, we will apply the certification law the way Congress intended for it to be applied—honestly, directly and not subsumed by other bilateral issues or interests.

At the risk of appearing glib, I think I can say that we caught the hemisphere's attention. It may not come as a surprise to you that the Governments of Colombia, Peru, Bolivia and Paraguay disagree with these certifications. Their four Presidents have called for a narcotics summit to develop a new counternarcotics strategy for the Western Hemisphere. I welcome their focus on narcotics and their renewed commitment to a new international strategy.

That said, I question whether we need yet another Presidential meeting less than 4 months since the Miami Summit of the Americas. In fact, the plan of action endorsed at the Miami summit specifically refers to a new counternarcotics strategy for the 21st century.

We do not feel we need another summit. What we do need is to agree on and endorse this strategy that has been on the table since last August.

Mr. Chairman, I cannot testify on narcotics concerns in the Western Hemisphere without some discussion of a nation that was not singled out in this year's certification decisions. It is the reason I have to leave this hearing early today, and I am referring, of course, to Mexico.

Our relationship with Mexico is comprehensive, multifaceted, sensitive and crucial. The Attorney General has said several times, and I agree with her, that Mexico is our most important law enforcement relationship in the world.

Border issues, illegal immigration, smuggling, stolen property, fugitives and narcotics are all part of the U.S./Mexico bilateral relationship. They are constant concerns but they are not the reasons that we recommended that the President certify Mexico as meeting the counternarcotics standards in the International Narcotics Control Act last year.

Mexico is confronting a major judicial and law enforcement crisis. It touches every level of Mexican society and politics. This is a Mexican crisis, but its impact will be felt on our side of the border for years to come.

We believe President Zedillo, who has been in office less than 4 months, is confronting this crisis. Since his inauguration, the Mexican Government has initiated a number of corruption prosecutions. They were not generated by investigative journalists or the opposition or the U.S. Government. Rather, they were generated by the Zedillo government at a tremendous risk.

While these cases still must proceed through the Mexican legal system, the fact that they have come this far speaks volumes on President Zedillo's commitment. He is confronting a vicious and powerful adversary. Those who doubt this might contemplate the murders of, as you mentioned, a Presidential candidate, a party leader and a Catholic cardinal in the past 2 years.

President Zedillo has a potentially bloody struggle on his hands, not an exercise in rhetoric. We will watch President Zedillo's efforts carefully. We will help where we can. I just returned over the weekend from a trip to Mexico at the President's direction to discuss with senior Mexican leaders how to improve law enforcement cooperation in other areas of mutual concern in the fight against narcotics.

We placed some ideas on the table, as did the Mexicans, and we think both sides will respond positively. I hope that next year we can recommend that the President grant full certification to Mexico again, because if we cannot, the real losers will not be the U.S. Mexican bilateral relationship, but rather the American and Mexican peoples.

Mr. Chairman, I would like to close my remarks with an appeal for assistance. Some witnesses have come to this table and claimed the administration does not have an international drug control strategy, but this simply is not so.

We have a clear strategy. We are focusing our interdiction efforts on source countries primarily. We are targeting law enforcement efforts against trafficking organizations. We are building institutions capable of resisting and eventually defeating the traffickers. We are engaging international organizations and financial institutions aggressively to cover some of the gaps that we cannot fill ourselves. And we are folding all of this into a long term, integrated, multi-agency and multinational approach.

This international strategy will succeed, Mr. Chairman, because it is flexible. It builds on past lessons learned and it makes sense. But it will not work without resources. For the past 2 years, the State Department's international narcotics budget has been cut an average of 35 percent. That is 35 percent from the actual 1993 level and not just from the request level.

We have streamlined and postponed expenditures for 2 years, but we can not do this any longer without cutting programs. The President's budget request for 1996 consolidates the State Department's international narcotics budget and provides a figure that would truly support our Western Hemisphere strategy.

I realize this is not a budget hearing, Mr. Chairman, and I realize the difficult budget environment in which we all must operate. But this committee has been a tremendous supporter of our efforts in the past. I want to acknowledge that and thank all the members. And I hope we can continue to count on this committee's support in the coming year. Thank you, very much. I look forward to your questions.

Mr. BURTON. Thank you, Ambassador. I would like to ask you a few questions and make a few comments. I have had briefings from a number of government agencies and the picture that you have painted is different than the picture that I have garnered from them regarding the drug trafficking problem in Mexico.



As I said in my opening statement, \$7 billion worth of wholesale cocaine is coming across the Mexican-American border into the United States every year. That figures out to about \$80 to \$90 billion at the street price. That does not include the heroin coming in that is valued about at \$1½ billion and the marijuana valued at about \$500,000. These are wholesale prices.

The briefings that I have received in the last few days on corruption in Mexico indicate it is very pervasive. It goes from the bottom to the top in the government. I am not saying that the President is involved, but I am saying it is very pervasive all the way up into the executive branch of that government.

The concern that I have is that we are having an overly optimistic picture painted here. I do not know why other than maybe that we want to have good relations with Mexico, and we want to keep that money going down there from the exchange stabilization fund to help them keep their economy afloat. But the fact of the matter is that we have a severe drug problem with Mexico. I do not understand why the administration does not get more specific about these problems instead of saying that Mexico is better than it was?

I want to also talk about the drug production that is taking place in Peru. I flew into the Upper Huallaga Valley a few years ago. I was in an area where they produce two-thirds of the world's cocaine. Across the border in Bolivia, another 25 percent is grown, so 90 percent of the world's coca comes out of two valleys. I have talked to people in the herbicide industry about an herbicide called tebuspiron or spike that could be an environmentally safe way to kill coca production in about 8 to 9 days, if we really were serious about the war on drugs.

Our country, unilaterally or with the cooperation of the Bolivian and Peruvian Governments could fly up and down those valleys, drop these little pellets over those coca fields and could eliminate 90 percent of the world's coca production in a very short period of time.

I have talked to the Department of Agriculture about that. They say it is possible. I have also talked to other agencies about that. The problem is the State Department and the administration—not just this one but the previous administration—said we cannot invade the sanctity or territorial sanctity of a foreign nation without the cooperation of that government.

My question to them is: are we in a war against drugs or not? So many young people in this country are being hooked on crack cocaine and it is taking such a tremendous bite out of our gross national product, it is creating such a crime problem, that if we are really in a war on drugs, we have got to do something about it instead of just nipping around the edges.

Do you know what they are doing in Peru right now to stop the cocaine production? They are using little things like a weed eater and a good campesino, who on a good day, can cut down 1 acre. And while he is cutting down 1 acre of coca plants, the drug cartels are burning down the lungs of the earth.

You talk about the environment. They are burning down the lungs of the earth at a rate of about 1,000 acres a day. While the campesino is cutting down 1 acre, the cartels are burning down

1,000 acres for more coca production, and we are letting them get away with it.

So I would just like to say in those two particular cases: Number one, Mexico has a very pervasive criminal element involved in drug trade. They are tied to the drug cartels. They are making money. We are getting \$7 to \$10 billion in wholesale prices per year coming across our border. How can we say that things are getting better down there? And secondly, why aren't we taking a more aggressive action toward the cocaine production that is taking place in Bolivia and Peru?

Mr. GELBARD. First of all, Mr. Chairman, given unfortunately the constraints that I have on time, I would very much welcome the opportunity to sit down with you further and talk about these issues. Because in the 10 years I have been involved in these questions, including three as Ambassador to Bolivia, I feel perhaps just as strongly as you do on the entire range of issues.

If I may respond to the second question first, since it is one of my favorite subjects. We feel very, very strongly that as part of our source country strategy, we need to get to the source in the source countries, namely cultivation. Now, this has been a fundamental theme that the administration has emphasized in our relations with Bolivia and with Peru.

As to the Peruvian Government, I agree with your statistics. The Peruvian Government over the course of the last year by our calculation had negligible reduction in coca cultivation from 1993 to 1994. We calculate that in 1993 there was something like 108,800 hectares of coca. Last year we think it went down perhaps 200.

More importantly, however, and more worrisome, even while the Huallaga Valley is showing a precipitous decline, largely because of soils wearing out and because of a fungus that is attacking that coca, we are seeing significant new growth in new areas within the country, most particularly the Aguaytia Valley and the Upper Huallaga Valley.

This has been a fundamental theme that we have emphasized with the Peruvian Government during the entirety of this administration and during the last administration too. We are trying to get the Peruvians to differentiate, to try to control and prevent any kind of new cultivation in these areas and we are pressuring the Peruvian Government with great seriousness about the need to embark on a full fledged eradication campaign.

In that regard, we are trying to provide funds to support other ways for the peasant farmers to find a living through alternative development and we are hoping to be able to sign an agreement shortly for \$30 million. I believe this committee has been working with us to free up those funds which have been sitting in Congress for several years.

On another side, we have been able to get the World Bank and the Inter-American Development Bank for the first time to agree to support alternative development funding and programs in the Western Hemisphere. We have been discussing this. One of my other deputies was in Peru several months ago with DEA and Department of Defense, and this was the major theme in our discussions.

The good news in Peru is that they have embarked on full fledged and very positive law enforcement interdiction efforts geared to stopping the movement of coca paste and other intermediate products toward Colombia. And that is obviously a necessary element in this strategy, but it is not a sufficient element. Because we can interdict all we want, but until they eradicate the coca, we are not going to be able to go after all of it. So I fully agree with you.

In the case of Bolivia, that is the reason, and that is the only reason—because of the lack of eradication—that Peru received less than full certification this year. Very good law enforcement efforts but negligible efforts on eradication.

In the case of Bolivia, the Bolivian law mandates minimum eradication of 5,000 hectares per year. What we have seen over the course of the last several years going back to 1990 when there was 8,100 hectares of eradicated coca to last year when there was only something like 1,058 hectares eradicated, is a virtually complete collapse in the entire eradication program.

I should note that we are extremely, extremely concerned with the collapse in this program; this is not something we are mandating, that we are pressing the Bolivians to do. What we are pressing the Bolivians to do is to obey their own law. And although the President's decision was to have a vital national interest certification, it has now come out in Bolivia—we had hoped to keep this confidential—that we have also given them a 4-month period during which we have asked them to complete three tasks as it were.

One is to initial with us a bilateral extradition treaty which is fundamental. Second is to come up with a plan for short, medium and long term eradication that we think will function adequately. And third is to come up in those 4 months with 1,750 hectares of Chapare coca which on an annualized basis would come out to slightly above the minimum. So we think that is a very reasonable figure. If they do not, as has come out in the Bolivian press, we will treat them as if decertified on a policy basis.

So we are taking this very seriously. This is a constant theme in our bilateral relations with these countries. On the issue of herbicides, we have done major experimentation over the last several years on the appropriate kind of herbicides, taking into account the need to have effective herbicide go after coca and opium poppies, but also taking full consideration of the need to have herbicides which will not have dangerous environmental effects.

The one we have found to be most effective is glyphosate and we have been working in several countries and we have seen over the last several years that there has been, that there have been extremely positive effects of glyphosate in the eradication of coca through aerial spraying in Panama and in Venezuela where there was eradication of both coca and opium poppy.

We have been using this to eradicate opium poppies in Colombia working with the Colombian Government at their request. One of the positive aspects of our relationship with the Samper government is that they have asked for much greater help to eradicate both coca and opium poppies and our Ambassador has just signed an agreement with their Minister of Defense with a target of eradicating 44,000 hectares of coca this year alone.



We hope to show through that project that it is effective in terms of eradicating coca and that the environmental effects are nonexistent. And we have done extensive testing which proves this. We hope then to be able to show the governments of Peru and Bolivia and their populations that there are not adverse environmental effects.

But I would just add it is crystal clear that the drug traffickers in Colombia, as well as in Peru and Bolivia, are doing everything in their power to try to put out disinformation about the effects when in fact it is absolutely in the opposite direction, because in the cultivation of coca and the production of cocaine we see enormous environmental damage to these very sensitive soils as you mentioned.

Mr. BURTON. But it is not just the soils, if I might interrupt. It is also the rivers and streams that lead into the Amazon down there.

Mr. GELBARD. Yes, I agree completely.

On the issue of Mexico. As I said earlier, this is a very difficult and complex bilateral relationship and I know Administrator Constantine will want to talk about our relationship with Mexico on counternarcotics too in great detail.

After the tragedy of the Camarena murder and with the arrival of President Salinas into power, our bilateral relationship on counternarcotics improved and improved every year during the time that he was in office with substantial results in terms of seizures, in terms of arrests and we feel there was considerable progress.

During 1994, this leveled off, starting on January 1 with the insurgency in Chiapas. Subsequently with the assassinations and other events, it was a very unsettling year.

We strongly believe that the Zedillo government will, as they are already, work with us to produce excellent results. Even before President Zedillo was inaugurated, we had significant contacts with him and with his transition team which demonstrated they were deeply concerned about this problem for, among other reasons, the trauma that Mexico suffered from the assassinations during last year.

In November before he was inaugurated, when then-President-elect Zedillo came here to meet with President Clinton, I met with Jose Angel Gurria before he became Foreign Secretary at his request to brief him on our understanding and our concerns about the narcotics problems. And this was subsequently the very first issue that Zedillo raised with President Clinton during their lunch.

Since that time, we have had very intensive contacts with the Mexican Government. As I mentioned, I was there last week. The Attorney General Lozano was just here this week, Monday and Tuesday, meeting with our Attorney General, with Mr. Constantine, the head of the FBI, with me and we are holding ongoing negotiations and discussions with them right now about a range of issues related to law enforcement.

We are seeing a significant increase in seizures over the last week alone. I believe they have seized more than 3 tons of cocaine. We feel that the level of cooperation has improved from what was already quite a high level. And we have seen as I mentioned in my

statement that they are taking dramatic steps and major political risks as they have gone out on all forms of corruption, not just narcotics related, but all forms.

The proof is obviously in the pudding. But we feel that the steps they have taken in the 3½ months they have been in office bode very, very well for the kinds of cooperation we expect and they need and we need to have the right kinds of results for the future.

Mr. BURTON. Well, thank you, Mr. Gelbard. I know you are under time constraints, so we will not keep you any longer. However, I would just like to say that I think the picture is not quite as rosy as has been painted by you. Perhaps we can talk privately and get into more specific details when you have more time.

Mr. GELBARD. I would look forward to it.

Mr. BURTON. Thank you for being here.

Mr. GELBARD. Thank you, sir.

Mr. BURTON. Administrator Constantine.

[The prepared statement of Mr. Gelbard appears in the appendix.]

#### STATEMENT OF HON. THOMAS A. CONSTANTINE, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

Mr. CONSTANTINE. Congressman, thank you very much for the opportunity. I also will provide you with a written statement for the record. My perspective on the drug issues both domestically and internationally come from an experience, which on April 4 will be 35 years in law enforcement. The last 8 years I spent running the New York state police. The great bulk of my 34 years was spent directing major organized crime investigations against the crime families in New York City and Buffalo. And starting in 1985, major narcotics investigations that involve the group from Cali Colombia.

I find the present situation intolerable. I think in my experience over those 35 years it has grown dramatically worse. The Cali drug mafia and its leaders continue to flourish untouched in Colombia which is the source of three-quarters of the world's supply of cocaine.

This mafia has now formed a partnership with established transportation organizations in Mexico to work hand in glove to bring the drugs across the border. The drug trafficking organizations in this hemisphere continue to undermine legitimate governmental institutions through corruption or intimidation.

Here in the United States, drug availability of cocaine and heroin are at an all time high. Drug use as well as violence has increased among our young people substantially. Many of the communities that I have worked with in those years have become virtual war zones as drug gangs within the United States protect their turf and carry out their illegal business.

Clearly, our international strategy is and must be intertwined with our domestic strategy. For the first time in my knowledge as a law enforcement official, the major criminal activity occurring within the United States is being directed from countries outside the United States and by people from those countries who are in this country, often illegally.

I would like to focus my remarks given the period of time primarily on Colombia and Mexico, and if there is time later, answer questions about some of the others that you have raised. Colombia, I guess far and above all the other countries that we will talk about today, is the epicenter of the cocaine trade. It is the trans-shipment hub and the cocaine refining center. And it is the home of the world's most dangerous international criminal organization, the Cali drug mafia which controls the cocaine trafficking activity, not only in the United States but in Europe and in Asia.

We put some pictures up here of the leaders of those organizations. There were articles written in the *Washington Post* this week about the Cali mafia. These individuals have been indicted again and again and again in the United States for substantial criminal activity. They are responsible now for 700 metric tons of cocaine. Their net profit every year is \$7 billion. That is about eight times bigger than the DEA's annual budget. That figure does not even include the billions that stay in the hands of the retail drug trade in the United States, or that that is derived from the Cali mafia operations in Europe.

As a result of their extensive unchecked wealth, they have the money to buy the finest financial and legal minds to control and move their illegal money. They buy the newest state of the art technological equipment and what power their enormous wealth cannot buy they gain through intimidation by either killing or frightening legitimate people in government or governmental institutions.

This is an unprecedented assault on the United States by a foreign organized crime element. The mafia has now diversified into heroin. They have in a short period of time become the fourth largest producer of the opium poppy in the world. We know they are buying and using in the most brazen fashion commercial jets, 727 and Caravel jets, flying 20 to 30 tons of cocaine at a time into northern Mexico. At the same time the plane is on the ground re-loading with 20 to 30 tons of \$5, \$10 and \$1 bills in U.S. currency which is approximately \$30 million each time.

The key to the success of the drug control strategy is that these traffickers are brought to justice. I have met with the new defense minister, the justice minister and they honestly and sincerely have expressed the same deep concern about what this mafia group has done to their country. However what I have on my desk is a motto from a school I once went to which is "Acta non verba," which means actions not words. Since I have started investigating the Cali traffickers in 1985, not one has been arrested or been brought to justice.

And I have told everyone that I can in our government and everyone from foreign governments, that we will not make a dent in this international drug trade until these people are brought to justice.

A very young, bright person on my staff earlier this week as we discussed this said that if a plane full of biological material that was threatening to the United States was flown into Mexico, would we be satisfied with seizing the plane or seizing the money and the profit? I think not. We would only be satisfied when people are brought to justice.



Mexico, because of the movement of the drug trade, has become extremely critical to the United States. You were right when you said three-quarters of the cocaine now enters across that 2,000 mile land border.

Mexico's new President Zedillo, whom I have not met but I have read what he said, has vowed to combat drug trafficking. The Attorney General, Director Freeh and myself and Ambassador Gelbard met with the new Attorney General Lozano yesterday. The things that he said were the first that I had heard from people in his position. They were very strong and very concise, at the same time recognizing the limitations of the structure of the government that he has inherited.

We will also work with them on precursor chemical controls because they are the largest receiver of ephedrine which is the basic drug for methamphetamine production in the country. These organizations have become the new kingpins of the methamphetamine drug traffic.

And as a result, the DEA and the FBI have launched a major investigation against the drug trafficking in the southwest border. We feel that if we can pool our resources and our information, we can have some effect in indicting and arresting the principals involved.

I will discuss any questions that you may have on Peru or Bolivia, but I will give you my best advice from someone who has been in this business for a long time and has spent a lifetime dealing with crime victims. I find the situation in the United States today absolutely intolerable. All of us, the United States and the other governments, must effectively take law enforcement actions against those groups that work within their own borders.

One of the experiences that we have learned in organized crime in the United States when we had our own generic home grown threat to the United States with all of the attendant corruption was that if we were able to build the cases, starting with the lower cases and the mid-level cases eventually reaching the heads of these organizations, whether they are the Gambinos or Carmen Gallante or John Gotti, we disrupted those organizations seriously and gave decent people a chance to take control of their neighborhoods. I think we must completely secure our southern land border. We must continue to investigate the high level trafficking organizations within the United States, some of them without foreign connections, who are violent and a danger to our citizens in the drive by shootings that are occurring in the cities. Somehow, and I do not know how, we have got to lessen America's appetite for illegal drugs through education and prevention. As the ambassador said, we have to work with these countries to help them to see the merit, not only for us, but for themselves.

The last statement that I have made is that one of the things that has never occurred in this country under any political leadership at any level is a real war on drugs or a real assault. We have never fully committed ourselves. Until we do that, until we have an all out effort to beat this, we will be nibbling away at the margins of this problem forever and it will I think become worse. We have made some good attempts in the past. We seem to lose mo-

mentum. It is evident today in the rising rates of drug abuse and violence in young children.

Until we as a country see that this is the number one social public problem, we will continue to have this destructive influence. We must treat this just as we would terrorists.

One of my responsibilities was part of the investigation of the World Trade Center bombing 2 years ago. This country became very alarmed over the death of nine people in the basement of the World Trade Center. There are 10,000 to 12,000 people every year in this country who die as a result of the drug problem. I would like to see us become equally concerned. This summer, we lost five DEA agents in Peru trying to do something about drug trafficking. When I visited with the last family, that was the 18th time in my career in law enforcement that I had given the flag to a wife, a mother, a father or a child, of somebody who was killed in the line of duty.

If we are going to continue to make these sacrifices in law enforcement, we need the same commensurate type of support, from the American public, from people in political life, and from people in other governments. I am willing to make that commitment. I have done it for 35 years, but I think as much information as we can get out to the public as to how serious this is, we may have some opportunity if we are willing to stay with this for 10 or 15 years of a hard, long fight. So I thank you for the opportunity.

Mr. BURTON. I just want to say from the outset that I appreciate your remarks. You made one of the strongest statements I have ever heard regarding the war on drugs. It seems like we have the right guy in the right job at DEA.

I have been to the Upper Huallaga Valley and met with some of our DEA agents down there who put their lives on the line, on a regular basis, and they are to be commended. People in this country do not know about it. The agents do not make near the money that the drug lords do and yet we go toe-to-toe with them. We really appreciate the agents work.

Let me just say since we have so much media here that the Congress of the United States can express its concerns, but it is up to the executive branch to take the initiative in the war on drugs to battle the enemy. I think you made a clear case when you said we need a multifaceted approach to deal with this problem. We need to not only interdict drugs at our border, not only to take on the street gangs and the drug lords that are selling narcotics, but we also need to go to the source and get into the eradication process.

We know exactly where the coke is grown. We can see it from the air. We know it is there. We know we have the herbicides to kill it, and yet we do not do a thing about it except go out there with weed eaters and cut down an acre a day. It makes no sense.

Until the executive branch declares a real war on drugs, we are never going to solve this problem. I think you made that case very clear.

If we use the tools at our disposal—if we put two aircraft carriers off the coast of Peru, loaded them up with herbicide at 5 in the morning and called the President at Peru and Bolivia about 6 and said, we have got this war on drugs going on and we have no choice but to go up and down that valley and to spray or drop these pel-

lets on these coca plants and we are going to kill them. We are also going to give \$50 a month to the campesinos and help them learn how to plant new crops. Then we could get a complete eradication program going and we could make the price of coca so high nobody could afford it.

Drug users would have to go to an alternative drug, and when they did that we could repeat the procedure. We also could get drug producers where we could nail them if drug users go with domestically or laboratory produced drugs. We would have them here in our country. We could get at them.

What kind of cooperation are we really getting from the Mexican Government, the Colombian Government, the Bolivian Government, and the Peruvian Government, as far as extradition in bringing these people to the United States for justice? Are they really going after them?

I talked to some government agencies—and I will not tell you which ones—just recently. They told me that in Mexico, for instance, when we know a 727 is coming in. We have the technology to trace where it is going. We contact the Mexican officials telling them there is a shipment of cocaine or heroin coming in and we want the Mexican military to get there.

Inevitably, the plane takes 2 or 3 hours to unload, to refuel, and to take off again. By the time the authorities get there, everybody is gone. The drugs are gone. The plane has been refueled and taken off. So there is complicitousness as far as the Mexican military and government officials are concerned, to a large degree. How do we get at that and are we getting the cooperation you think we should be getting from those countries?

Mr. CONSTANTINE. I think as I recall your questions, first of all, on extradition. With Mexico, there is very little extradition of Mexican citizens for charges in the United States. There is a clause, and I am not a lawyer, Congressman, that the Justice Department works with called Article 4 whereby, in Mexico, if the same evidence is presented, they have a special unit in the Attorney General's office to prosecute that citizen in Mexico for commensurate crimes.

In Colombia, in 1991, there was a constitutional prohibition against extradition. It was the biggest fear of the drug lords that they would be extradited to prisons in the United States. Witness the effect of Carlos Lehder and his lifetime sentence. The evidence was then presented to Colombia for the eventual prosecution of the individuals there. The Justice Department has terminated providing information on new criminal cases because as the information was presented to them, the witnesses or families disappeared or suffered a great deal of harm.

So you are in a situation now where the major figures, we know who they are, we know the city in which they live, but they cannot be located by the Colombian authorities. And the Colombian authorities have told me that one of their problems with it is corruption in the criminal justice system in the city of Cali, Colombia.

With the law enforcement there is a Colonel Serano in charge of law enforcement there. I have met him twice. In speaking to DEA people who have served in that country and know him well, they



speak leagues about his courage, about his integrity and about his efforts to try to do something.

I likewise have been impressed by the Fiscal prosecutor Mr. Valdivieso. They appear to be wanting to, but they are operating against tremendous odds. These people have more money. They cannot locate them. But they want to surrender.

As you pick up any news magazine, they will go through an interview and talk about their surrender. And within the last several weeks, three members, elected members of the Colombian Congress, trying to arrange a surrender amnesty, met with all of those principals in Colombia to try to do that. So somewhere along the line, they are going to have to make that decision on their own that these individuals are dangerous to them.

The crimes that are being committed are not merely crimes in the United States. All of these things are crimes within their own nation which has become the third largest per capita user of cocaine in the world which is usually the case with any kind of a drug producer.

In Mexico, as I say, we just met with the new attorney general. He is going to try numerous types of fundamental changes in the law enforcement structure. But I have to tell you that is a very difficult undertaking. From what I have been able to see many people enter Mexican law enforcement with criminal records. There is no background investigation, no polygraph, no internal affairs unit.

And in all honesty, even in this country when the mafia within the United States in the 1950's or 1960's was in control of many aspects of criminal activity in our cities, they had corrupted American law enforcement and American elected officials. Organized crime cannot exist unless there is corruption in the official system. And the bigger the organization is and the more powerful it is, you can make an immediate deduction and you are going to be right on the money 100 percent of the time that the corruption is as big as the organization. That is the problem wherever you have organized crime taking control of structures.

Listening to the Ambassador, the decisions that were made on the decertification and the meeting with Attorney General Losano are hopeful signs. I believe certainly listening to the Mexican Attorney General, he is a bright young man, and he wants to accomplish these things and to improve the situation, but I suspect it is not going to be done overnight. And that is kind of what I hoped the American public has got the stomach for a 10 or 15 year fight and just does not give up on these things because it is not going to be accomplished overnight.

Mr. BURTON. Before I yield to Chris, let me make one more comment. In addition to going to the source for the eradicating of the drugs, it seems to me that the executive branch in this administration, if we are in a war on drugs, ought to be able to find out where these kingpins are through our intelligent sources.

We know what towns they live in. The local officials have met with them down there as you just mentioned. If we know that, it seems that we could send in some of our people to get those people involved in the drug trade and bring them to justice. The only problem is we would have to violate the territorial sanctity of a foreign nation.

Are we in a war against drugs or not? If we are not, we ought to tell the American people that. We know where these drug kingpins are. We could go get them and bring them to justice. The problem is we do not want to ruffle anybody's feathers.

This is not a game of tiddly winks. This is a major confrontation that we are facing and it is effecting every person in this country. Nobody's life in this country is not touched by drugs. Until the executive branch decides we are going to go after these punks and bring them to justice, until we decide we are going to eradicate these drugs at their source, until we decide we are going to declare war on these gangs that are making all this money, then we are going to lose the war. With that, I will be happy to yield to my colleague Mr. Smith.

Mr. SMITH. Thank you, very much, Mr. Chairman. Mr. Administrator, I am sorry I missed most of your testimony. I was at another hearing. But just in reading it over very quickly, I would like to focus for a brief moment on Peru.

As you know so well in the spring of last year, the administration abruptly terminated the radars information sharing with the Peruvian military which resulted in a significant increase in clandestine flights that were permitted to take off and bring their cargo to places north, presumably the United States.

I wonder if you could tell the subcommittee whether or not those radars have truly been activated and are fully operational now as the resident told several of us was going to happen when we were at the summit of the Americas. How many months were they down, whether or not there was an increase in drug, illicit drug, narcotics export, what that estimated volume was and what the cooperation looks like now with the Peruvians.

Mr. CONSTANTINE. Questions on the radar in all honestly are probably better directed at somebody from the Department of Defense who would know what radar sites are there, what date they were turned down and what date they were turned off. During the process, we stayed close to our people in Peru and Bolivia and Colombia to see what impact that would have on DEA operations in those countries.

In all honesty, in an overall enforcement strategy, the radars had limited payback for our strategies of trying to seize major amounts of cocaine they are moving or indicting the major principals. Because very often anybody who was in a plane like that is an extremely low level operative of the organization. The planes that fly in there are probably two engine turbo props without a lot of tonnage. There is a total reluctance of anybody even if you force the plane down and interview the people, they are so afraid of violence against their families, they are unwilling to provide information against the principals. And as you can see, even if we get the information against the principals, often nothing takes place.

So what you usually wind up if you were to force that plane down is probably about 500 pounds of paste, two pilots that are probably getting paid 100 bucks a month and will not give you any information on anybody else. I think the deterrent value of beginning to do that was very important and I am glad to see that the issue was resolved.

I have been running organized crime investigations since 1975, starting off with the people at the big families in New York state. To just settle for a low level operative without getting principals would be, I have said, a mistake. This is a situation we have right now here, is putting bookies in prison and letting John Gotti still live in Howard Beach Queens. You have to do the reverse of that. You have to give up the bookies. Or in the case of John Gotti, we gave up Sammy Gravano, who was a violent killer, to do something serious about it. And I think that was an excellent strategy move.

Mr. SMITH. I thank you. Just if you could answer whether or not, if you can give an estimate as to what the tonnage or percentage of increase actually was during those months. And I say that because we did get preliminary estimates. As a matter of fact, Mr. Torricelli, the previous chairman and I, were very much in a bipartisan way, angered by the fact the administration dragged its feet.

Every time we went to hold a hearing, we were told that the radars would be turned on within a very short period of time from the time of our hearing and it did not happen for several months. But the DEA did have an estimate. It was a rather high one, in terms of tonnage that was slipping through and getting outside the country.

Mr. CONSTANTINE. Congressman, if I could get back to you with that please because I do not have that with me. And as I say I was in the middle of those hearings with the Defense and State Department and we had been preparing for the hearing and had talked to our people and they gave me the impact. But if you would not mind if I could give you some type of written response.

Mr. SMITH. I would appreciate it. As quickly as possible if you could.

Mr. CONSTANTINE. I can get it within 2 days.

[The information follows:]

During the shutdown, air traffickers apparently increased the use of direct flights from Peru to Colombia and increased the number of daylight flights. However, an overall corresponding increase in the quantity of cocaine base shipped to Colombia was not detected.

Mr. BURTON. I would like to submit questions for the record for you and Ambassador Gelbard.

Mr. CONSTANTINE. Yes, sir.

Mr. BURTON. One recent newspaper account reported a fall off in U.S. Customs cocaine seizures in commercial trucks from 7,708 pounds in 1993 down to one-fourth of that or 2,000 pounds in 1994. That was about a 70 percent decline in the border seizures. And yet, the amount of truck traffic coming across the border from the Maquiladora companies, as well as the new NAFTA companies, is increasing. Many of the drug kingpins have bought trucking companies down there, large fleets of them, to bring things across the border. Why are the seizures down?

Mr. CONSTANTINE. Well, and I do not duck any questions, I am not the Commissioner of Customs. So I am not sure what the strategy is or what would be involved. What I have to tell you is even before that process took place, there was absolutely no shortage of cocaine in this country. The price has been leveled and gone down probably over 5 years. And the purity rate has gone up. The same thing with heroin.



Regarding the border, we provide intelligence information based on informants and based on other types of technological investigations to Customs or local law enforcement in the United States that would be able to tell them about a certain plane, a certain truck, a certain car, to be able to make that seizure.

General interdiction, stopping every truck, searching every truck, searching every pallet, I suspect is almost impossible to do given the volume of shipping to various areas. Random searches have proven to be very negligible in the search results where you pick every fifth truck. Intelligence based searches tend to be fairly productive. And I have talked to people who were down on those border crossings. Even with this tremendous new traffic and with these line crossing procedures, the amount of narcotics unfortunately has remained steady and we have the same problems in 1995 that we had in 1993. Limitless supply and no increases in the price.

Mr. BURTON. The one thing that we can agree on is that even if the amount of narcotics coming across the border is constant, it is much more difficult to find it because the restrictions have been reduced and traffick has increased.

Mr. CONSTANTINE. No doubt.

Mr. BURTON. So we need help from the Mexican Government and it seems to me we should have gotten that when we signed that agreement with Mexico to help bail out their economy. I think that is all we have for you, Administrator. I want to thank you for the great job you are doing and please convey to your agents how much we appreciate all the hard work and the risks they take for us.

Mr. CONSTANTINE. Thank you, Congressman.

Mr. BURTON. Thank you. Our next panel will be Dr. William J. Olson, former Deputy Assistant Secretary of State for International Narcotics Matters in the Bush administration; and Mr. John P. Walters, president of the New Citizenship Project. Our last witness of this panel will be Mr. Eduardo Valle whom I mentioned a few moments ago. We understand Mariella Eberhart will translate for Mr. Valle. We appreciate that.

[The prepared statement of Mr. Constantine appears in the appendix.]

**STATEMENT OF DR. WILLIAM J. OLSON, SENIOR FELLOW, NATIONAL STRATEGY INFORMATION CENTER (FORMER DEPUTY ASSISTANT SECRETARY OF STATE, BUREAU OF INTERNATIONAL NARCOTICS MATTERS)**

Mr. BURTON. I would just like to say to you that because the most informative time probably is the question and answer period, if you could try to stick to the 5-minute drill, it would help us. Let us see, I think we will start with Dr. Olson.

Mr. OLSON. Thank you, Mr. Chairman.

I do have a statement to submit to the record, but I will summarize my remarks.

Mr. BURTON. Fine.

Mr. OLSON. Most of my remarks today concern U.S. international drug policy in cooperation with our friends and allies in this hemisphere in dealing with the cocaine problem. A good part of what

I have to say focuses on Colombia and Mexico and their cooperation in dealing with the scourge that we all share.

Let me begin by saying that no country has sacrificed more than Colombia in the effort to deal with drug smuggling. I salute the heroic efforts, past and present, of many courageous political and social leaders who have braved assassination and intimidation to confront the drug lords that have battered onto Colombia like some terrible tropical fungus.

Let me add while I am also not trying to belittle the efforts that Mexico has made in trying to combat drug production, trafficking and corruption, my concern is less with blame, of which there is plenty to go around, and more with what we all must do to combat this very difficult problem.

The story I have to tell is a sad one and it contains a telling lesson for all of us. In telling the story, I would like to make five major points.

First, that the nature of the drug cartel activity is changing and the challenge that they represent is growing worse. The cartels themselves are now major national security concerns for the nations of this hemisphere.

Second, that the efforts by major producing countries in the region such as Colombia are failing to meet this growing challenge.

Third, that U.S. efforts to interdict supplies coming into this country have significantly eroded.

Fourth, that the consequences can be seen in increased drug use in the United States.

And fifth, that there are a number of things that we must do in order to respond to the problem.

Let me briefly outline what I think is the nature of the threat. The first thing that we must understand is that we are dealing with two distinct but interconnected problems. Both cause major difficulties, but they are different in nature.

The first concern is with the demand for and supply of narcotics and the damage that they do to individuals in this country and the society that must deal with the consequences of individual choices to use drugs. Being one of the largest consumers of illegal drugs, we know just what that means.

The second major concern that I want to highlight is the emergence of major criminal organizations, such as the cocaine cartels and the threats that they pose. This involves not drugs per se, but the organizations that produce and traffic in them. As noted earlier, the drug cartels have become major international actors and in doing so have created a variety of problems wholly separate from the perils of drug use.

In the case of Colombia, these groups have penetrated virtually every segment of political, social and economic life. They have used their money to buy congressional candidates. They have suborned the judicial system. They have virtual control over the air traffic management system in Colombia. They own military police and military officials at the local and national levels. They have extended their influence into the office of the President of Colombia and they have used their resources to influence the recent rewriting of the Colombian constitution itself outlawing extradition.

As a result, Colombia's efforts to deal with the cartels in recent years have largely fallen off. There have been virtually no major prosecution for official corruption, although there are thousands of cases, many involving senior officials. No major cartel leader has been prosecuted and those that face trial face no serious threat to their liberty, their assets, or their future operations. Seizures are down. Cooperation is largely rhetorical and business for the cartels is very good.

The cartels have also begun major investments in Colombia's economy dominating through surrogates such fields as cut flowers, which are mostly sold to the United States. They have also invested heavily in the oil industry, banking, land and construction. This means they now play a major role in Colombia's economy and to a degree are funding a major boom there.

They have also used their clout to intimidate or bribe the press into silence. In effect, Colombia has become a narco-democracy in which the drug lords are increasingly at liberty to enjoy the fruits of what they are doing on the streets of this country. In the process, they are also discrediting democracy in Colombia and shaming that country before the world.

The troubles in Colombia do not end there. Cartel influence has penetrated many other countries in the region. Their activities in building their business enterprises in the Andes have already been noted. But they have also carried their ideas of violence and corruption to countries in the transit zone. They have established a significant presence in Guatemala and in the Caribbean.

The jewel in the crown of trafficking, however, is Mexico. More than 70 percent of the cocaine reaching the United States transits Mexico, making Mexico one of our major problems.

But as the most recent State Department's international narcotics control strategy report notes, 1994 was not a banner year for global counternarcotics cooperation and progress. I do not say this lightly. I know from experience in the Bush administration just how easy it is to throw charges of the failure of drug policy around and how difficult it is to achieve real progress. I know too well the temptation in many quarters to make these charges as the first step in saying that nothing can be done. I think the experience of the late 1980's and early 1990's indicate that in fact a great deal can be done with determination and resolve.

The difficulty is that in the last several years what we have seen is an erosion of our counternarcotics policy. The first important change in the incoming administration's strategy that began to signal its counter drug strategy was from the outset a decision that was made to distance the President from the drug issue.

One of the first things that happened then was that the national-level leadership at the top of the administration disappeared, leaving interagency rivalry to rise to its own level. In the international arena, the change in policy became clear with the publication of the administration's drug strategy in 1993. That document noted that the administration intended to refocus efforts away from transit zones and interdiction and focus on programs aimed at source countries.

The problem is that the effort undid our policy in both places, both in transit zones and in source countries. And the consequences



can be seen in declining drug seizures and declining efforts. In fact, if you look at my testimony and the charts that I provided, the declines in seizures internationally parallel almost precisely the declines in U.S. resources provided to try to deal with the problem. I am not saying that there is a causal connection, but I think that there is a strong correlation.

What has happened with these efforts? As figures two through four illustrate in my chart, there has been a significant drop in cocaine seizures in this hemisphere. This is not because the cartels are producing less cocaine or hard core addicts in this country are using less of it. What the figures show is a decline in effort throughout the region. This decline is also coincident with declines in U.S. interdiction efforts in funding and in cooperation with locals. They are paralleled by declines in drug prosecutions in this country and by increases in drug use.

The picture that emerges quite frankly is one of muddled policy here and declining efforts abroad. The consequences can be seen in changing domestic attitudes toward drug use and increased drug use among our young. I think there are several things that we need to do in order to respond.

The first recommendation does not involve money and involves our terminology. While I am a lawyer in the war on drugs, I think unfortunately that the rhetorical use of the war on drugs has misled us into believing that somehow this is an easy problem that we can win, that there will be a victory parade at the end and that once that is done our drug problems are over. In fact, this is not the case. It is going to be an ongoing and difficult problem. And the key to it is that we not employ fire and forget strategies, but that we maintain our effort and consistent policies over time.

The second in recognizing this we must have continuing commitment from our political and moral leaders on the drug issue so that a clear and certain public message is sent that drug use is bad and it has consequences you will not like. In particular, this means the engagement of the President of the United States, directly and often, visibly and vocally.

Third, we must begin to restore funding for our international programs and to interdiction.

Fourth, we must revitalize our international diplomatic efforts. We can begin this by decertifying Colombia.

Fifth, we must recover our efforts in the transit countries, particularly Mexico so the cartels have no free ride.

Sixth, we need to work on the development of an international convention on organized crime. It is not enough to attack drugs. We must go after the organizations that produce and traffic in them.

Finally, we must continue to build our efforts in the intelligence to target these organizations. Many of these approaches are not new, but we need less innovation and more consistency. Perseverance and fortitude are our best allies in dealing with the challenge of drug use and trafficking. Thank you, sir.

Mr. BURTON. Thank you. Mr. Walters.

[The prepared statement of Mr. Olson appears in the appendix.]

**STATEMENT OF JOHN P. WALTERS, PRESIDENT, THE NEW CITIZENSHIP PROJECT (FORMER ACTING DIRECTOR AND DEPUTY DIRECTOR FOR SUPPLY REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY)**

Mr. WALTERS. Thank you, Mr. Chairman. I too have a lengthy written statement that goes into some detail on a lot of the specifics and trends in the drug problem and ask that it be entered in the record here. I will be rather brief to try to respond to the narrow issues that have been raised so far today. You can go in other directions if you so choose in questions and answers.

I worked with Ambassador Gelbard in the Bush administration when I was in the White House drug policy office responsible for all supply reduction programs. I have the highest respect for him. I have met Administrator Constantine and also have high respect for him.

The problem is they are good men playing on a losing team. And I say that not for partisan reasons, but because I think it is time to face up to the fact that what they revealed to you today in this hearing is there is no administration policy to make a difference on the drug problem, not in international affairs, and you have not gotten into it, not in law enforcement and not in treatment or prevention.

I detail what the administration has done in terms of dismantling what was done, not perfect, needed work, from the last administration, but between 1979, the peak of drug use and 1992, overall drug use went down by 50 percent. Cocaine use, the particular problem we targeted, went down almost 80 percent between 1985 at its peak and 1992. Those rates are going up. They are going up for young people. They are going up for addicts. They are going up for heroin. They are going up for cocaine. They are going up for marijuana. They are going up for other drugs. The supply of drugs in this country has increased. They are cheaper, they are purer. That is after 2 years of the Clinton administration.

Prevention efforts in this country have been undermined dramatically. You can talk to people who do the surveys. You can talk to the parents who carry out the programs. You can talk to school prevention people.

The administration said it was going to focus on treatment. In my job in the last administration, I spent a lot of time working with people in treatment as well. There are some excellent treatment programs. I support treatment. But the treatment system in this country is not producing results. We have slots for over half of the estimated number of addicts to be treated every year. We have had that for the last 4 years at least.

The actual population of addicts is an older population, an aging cohort and it is not being reduced. They are cycling over and over again through a treatment system that is not effectively treating them. Why? Because they are hard core addicts now. Because it is extremely difficult to treat them when they are poor, inner city residents predominately and they are being returned to streets in the United States, in communities where drugs are cheap, they are plentiful, and there is virtually no penalty for use.

Domestic enforcement has made virtually no difference and there are now statistics showing declining domestic enforcement by Fed-

eral agencies. We have allowed open air drug markets in every one of our major cities. That is a passive de facto legalization and we are living with the consequences; and the destruction of lives and the crime accompanying it.

In terms of interdiction, and there is not time allotted here to go into it in great detail. Suffice it say the administration has cut interdiction by its own numbers. I was in a hearing on the Senate side a month ago, where information was presented showing 50 percent of the assets for interdiction in the major transit zone, controlled by the Atlantic command and the U.S. enforcement agencies have been reduced. The administration also reduced by more than 50 percent international programs.

And what you have in the latest drug certification effort is, I think, an absolute an utterly clear demonstration that the Government of the United States is not serious about the drug problem. It is a difficult problem for all the reasons mentioned here, but you can do something about it. One of the parts of my testimony reviews the importance of and the successes achieved on the supply side; and the results for particularly addicted use in the past administration.

But what you have now is the admission that for Colombia, Bolivia, Peru—and increasingly the evidence suggests for Mexico—that it could not get much worse. There is virtually no serious enforcement effort going on. After a period where there was a crack-down, where the Median cartel was attacked heavily in Colombia, where the Mexican border response force had made serious inroads against trafficking, you now have planes of unprecedented size bringing multiton loads of cocaine, as you have already heard, into Mexico. And the reason the traffickers are putting it into Mexico is they obviously believe they can push it across the U.S. border with impunity and obviously the data shows that that is true.

Now, let me get to what we should do about this. The administration has failed to produce a strategy at all. We do not look like we are serious about this problem. Now there is different leadership in Congress. I do think it is difficult to execute policy from the legislative branch rather than the executive branch, but it is time for Congress to use the levers that exist.

One, I think you have got to hold the administration accountable for creating viable goals and objectives. What is the plan to dismantle major drug trafficking organizations in the United States first? The FBI and DEA, for example, in the current drug budget is receiving a quarter of a billion dollars for drug intelligence in the United States. Why can't they execute a serious major take down of organizational cells in the United States that produces results in scarcity or increased prices in purity of drugs?

Where is the quarter of a billion dollars going? The tendency in domestic enforcement is to use Federal agencies to do street level enforcement. I believe that is the tendency of all Federal agencies, but particularly the FBI and the DEA. That is the wrong way to go. I respect the people there. There are people with their lives on the line. They are friends of mine. And they are people who deserve a lot of credit in the trenches.

But we cannot have a Federal police force doing street level enforcement. The Federal job is to stop the major traffickers. We also



have to do a better job of interdiction. We have got to deploy serious assets, on a sustained basis, in an intelligent way, with a mission. The interdiction mission I believe, and it is in my testimony, I have said it elsewhere, should be under the command of the U.S. Defense Department. The military ought to have the responsibility to reduce the flow of this poison to our citizens, particularly when it is effecting the weakest and the youngest.

Finally, and this gets to the point of the hearing I think, it is time to be serious in our foreign policy. And Congress may have—however reluctant I think conservatives are and Republicans have been in the past—to set some standards down in foreign policy.

Look, we almost fought a trade war with China over videotapes, CDs and computer programs. Now, I care about our intellectual property and our trade, but trade problems are not killing American children. They are not creating violence on American streets. That is not letting people become walking slaves to drug addiction in this country without any serious effort to reverse it.

We also—according to today's news—we are trying to extend a worldwide boycott of Libya, to force them to return two terrorists to either the United States or Britain for trial. I absolutely support that as well. But those people, as heinous as their crime is, if you look at the number of people they killed, it is a fraction of the number of people being killed by the gentlemen whose pictures were on that easel a moment ago.

The United States has not even considered a trade embargo, has not considered serious diplomatic action against the drug producing countries. I mean, you talked about eradication. My preference would be as follows. Lay down a standard with these countries. I think you have got to start with Colombia. It is the headquarters for cocaine. Cocaine is the most serious and destructive drug. Tell Colombia: "You must stop the flow." And we do not care whether you eradicate it, you arrest these people, whether you cutoff their money.

We would like you to do all those things. They know who the kingpin are. They know where they are. It is not a matter of can they do it and it is not a matter of aid or anything else. It is a matter of is there a political will? The United States is giving these countries no serious reason to think we care about drugs and the political will in those countries is obviously effected by the danger that these activities pose.

The same is true of Mexico. You already pointed out we are guaranteeing billions of dollars to help the Mexican Government. I support that too if that is necessary for our national interest. But the fact of the matter is, the Mexican Government is allowing unrestricted trafficking in cocaine through its country and there is no serious effort—not even up to the level of past efforts, however inadequate—to obstruct that flow.

If we cannot add a condition regarding drugs to the billions of dollars the American taxpayers are going to guarantee, we are sending a message the Government of the United States is not serious about this problem. And if we are going to get at the issue of corruption, at the issues of political will, we have to lay down a serious policy.

What the gentlemen from the administration showed you is that there is no Presidential commitment, there is no drug director commitment. There is no Secretary of State commitment. There is no Attorney General commitment. And there is no effort on the part of the military to make a significant difference. We are walking away from it and more people are going to get harmed, especially kids. The evidence is there and it is going to get worse because attitudes are going the wrong way. I apologize for taking a little over the amount of time, but I hope it helps the hearing.

Mr. BURTON. You made it very clear what you think and I am anxious to get into questions and answers with you after we hear from Mr. Valle. Mr. Valle.

[The prepared statement of Mr. Walters appears in the appendix.]

#### **STATEMENT OF EDUARDO VALLE ESPINOSA, JOURNALIST, EL FINANCIERO**

Mr. VALLE. I appreciate the kind invitation by Mr. Dan Burton and the Subcommittee on the Western Hemisphere.

On the first of May, 1994, I signed my letter of resignation as personal advisor to the Attorney General of the Republic. When that document published in my country, I mentioned that Mexico is suffering from a kind of narco-democracy. Several weeks earlier, my friend Luis Donaldo Colosio, candidate for the Presidency of the Republic, had been assassinated.

In that letter of resignation, I mentioned should anyone try to correct political corruption without the head of the narcotic trade will die, as was seen on March 23 in Tijuana.

I worked as personal advisor to the Attorneys Carpizo and Valadez on February 1993 to May 1994. The Attorney General until June of 1993 headed a special group in the Office of the Attorney General to destroy the crime within the largest in Mexico, the gulf cartel, directly, publicly by Juan Garcia Abrego from earlier weeks in the list of the 10 most criminal, most wanted by the FBI. The unit was formed by four different Federal judges, and about 30 agencies of the Federal judicial police.

The most important thing we identified was the criminal operation finances and politics of the criminal organization including its protectors in the Attorney General of the Republic and the Federal judicial police, and the Secretary of Communications and Transport which are vital for the activities of drug trafficking in the multinational criminal organizations.

We have informed the then-President of the Republic, Carlos Salinas de Gortari and Drs. Jorge Carpizo and Diego Valadez of the results of our job.

I should mention that our unit fully collaborated with the DEA, the FBI and the immigration services of the United States, without asking anything in return.

The Agencies were getting all the relative material related to Colombia, Central America and the United States of America, including critical moments related with Mexico.

In Mexico, I left my records, the general file, before I crossed the border coming to the United States on June 5, 1994. Before that, I had been in the United States under the custody of the services

of immigration and customs in Brownsville, Texas. Miles of pages of legal documents and intelligence including the Pen-Link report of the DEA, case TD870007 is directly related and vital on the criminal organizations that operate in Mexico, Canada and the United States.

Now in the territory of the United States, this document has been delivered under my custody because I understand the strategic value.

Mexico, Canada and the United States have signed the NAFTA treaty in North America. It has immense applications for hundreds of millions of persons on these three countries.

Under this new globalizing pact, political, economic development, political and cultural and the national security have been formally integration initiations between the United States and Mexico. It has a lot of repercussion in the life of the three countries. By this road there are obstacles—the organized crime which has manifested in the critical multinational firms, and the prices in Mexico.

Mexico now lives in a critical situation. In 1970, there were 50 million Mexicans. Now we are 90 million. From those years, agricultural production has grown as is necessary. At the same time, especially since the petroleum boom of the year 1970 and the GATT treaty in 1986, we have new situations relating to the world economy.

These are the major problems. In my opinion, Mexico is a narco-democracy incapable of generating internal savings. We shall promote the provision of the economic system. At the same time, we are importers in the criminal economy the narco-traffic, the corruption and the political corruption and the speculative economy. High rates of interest, monies on black market and drawing external debt.

What to do with 2,000 miles of borders that are rotting thanks to the power of the money, the terror and the narco-politics. And let us say the borders are rotting on both sides, not only on the Mexican side or the Canadian in the North.

Shall we discontinue with NAFTA? Thanks to NAFTA, today we can act towards a common need under three nations, acting serious, radical and conscious form against the greatest multinational enterprise: the narcotic enterprise, and against the politics that use and are used by the narco-traffic and the organized crime fight against the narco-democracy instilled in my country that would threaten Canada and the United States.

The greatest challenge for a country at the end of the 20th century is organized crime. If power corrupts and absolute power absolutely corrupts, when the power is mixed with the crime and the fabulous and giant businesses of drug traffic, then our society is in danger.

More drugs in the streets, more violence in the schools and in communities would implicate more political corruption in the national states and the international community. I am sure that that will happen. That is my experience. That has happened in Colombia, Mexico, Honduras, Panama. Why wouldn't it happen in the United States and Canada? Can anybody confirm that this precisely will not occur here when we all know that these relations be-



tween drug traffic and intelligence agencies, between black monies and world finances?

The price in Mexico is profound and serious. It is an element all Mexicans should try and resolve with sincerity and realism of causes, circumstances and resolves. Everything that backs the development of our economy and productive, everything that minimizes the strength of the criminal economy, every action and international action will serve to dismantle the strength of the narco-traffic and its representation in the interior of the State of Mexico and of the national state, to help promote the democratic practice and the development of the Mexican nation, an essential part of this new historical space which is called North America.

I appreciate the chairman of the subcommittee, Representative Dan Burton, and the members and everybody that has listened with a lot of patience.

Mr. BURTON. Thank you, very much for your testimony. This has been the most discouraging panel I have heard and I do not say that critically. What I gathered from the three of you is that there really is no war on drugs right now.

We are spending a lot of money, but nothing of substance is being done. In Mexican you said that you have a narco-democracy like they have in Colombia, only it has not been stated as such. Is that a pretty accurate assumption, that you consider Mexico a narco-democracy now?

Mr. VALLE. The narco-democracy phenomenon is not a circumstantial phenomenon. It was created by the state when petroleum was created, by the petroleum countries. That is where it was initiated.

Mr. BURTON. Rather than getting into a detailed history, what I am concerned about is that we in the Congress have been told that there is a war on drugs taking place. Substantial amounts of money have been spent and are being spent, and we are appropriating that money to interdict drugs, and to bring the drug czars to justice.

What I have heard from your panel, however, is that there is not an effective war against drugs, and that we are not getting support from our counterparts in these other governments—Colombia, Peru, Bolivia and Mexico. You said that we just lowered the flood gates and drugs are coming across at will and nothing is being done about it.

[The prepared statement of Mr. Valle appears in the appendix.]

Mr. WALTERS. Yeah, let me just respond to the are we the most depressing group you have ever met.

Mr. BURTON. I did not mean that in a—

Mr. WALTERS. No, but I think it is important here also, look. I think public policy depends on people having confidence you can do the job. I do think we ought to look at what happened with drugs. It happened with the drug problem between 1979 and during the 1980's and up to 1992 in terms of a reduction of a serious domestic problem that is unprecedented.

We have no hope today of reducing illegitimacy in the near future by 50 percent or 80 percent, or drop outs, or HIV transmission. All these are serious problems, but we reduced drug use 50 to 80 percent and it was a kind of conservative success. It was

people talking to their kids; it was the institutions of society from law enforcement to interdiction resources to the beginning to use the foreign policy strength of the United States against the drug problem.

On the side of optimism I would argue, you have tools, both in the Federal Government and all the way down to communities that work, that have been proven to work. What happened was we have in some cases, particularly within the Federal Government, thrown those tools away.

Mr. BURTON. I am talking about in the last 2 years.

Mr. WALTERS. Yes, and we had not even finished fashioning those tools fully. I am not saying that the Reagan/Bush administrations were perfect here. They were not. We were trying to forge things. We had some problems. We had some setbacks. We did not get as far as we should have. We were subject to legitimate criticism. But the fact is initial use by young people went down.

If kids do not use drugs by the time they are 19 years old roughly, they are unlikely, according to all the longitudinal data, ever to use drugs again. If somebody gets in trouble with drugs now, the demographic data is they become a hard core addict around the midtwenties. If they remain a hard core addict in their thirties they are probably going to die a hard core addict despite what we can do with treatment. We have a certain window to help you out, but if you lack everything else, we cannot help you.

So we have got to try to prevent it and we have got to try to stop it, reduce the supply. Because that is when we begin to have more effective efforts against the hard core addict problem. We did domestic eradication for marijuana. We stepped up interdiction. The cost of marijuana in this country went to the cost of gold by weight and marijuana use went way down. We had reduced all those things now and marijuana use is going through the ceiling.

The drug office report for December, the so-called "Pulse Check," pointed out that in some areas of this country, more people are now seeking treatment for marijuana addiction than for heroin addiction.

Now, the other thing we can do is we can use our foreign policy. You know, President Bush went to Cartagena, Colombia for the first time on an expansive basis to welcome a partnership with these countries. We had a very good relationship with President Barco through most of the time of the Bush administration and we had a serious attack for part of that time on the cocaine trade. We need to sustain it. It is not easy. I agree with Bill who I work with in the administration. This is a tough account. It causes all kinds of political problems for an administration. But now Congress can and should insist on performance and it should be willing to give some cover here.

I mean, you talked about this. The administration tied itself in a knot over a decision about whether or not sharing radar information with countries that wanted to stop trafficker flights was potentially a violation of U.S. law—if somebody was hurt when action was taken against these planes and U.S. personnel would be liable.

Now, I do not understand how anybody who goes to the city of Washington, D.C. downtown or any other city where people are being afflicted every day with the problem of crack and you have

to tell them that look, we cannot get radar to people in these countries because they might shoot down trafficker aircraft. They are wondering why we are not giving them bullets to shoot down trafficker aircraft.

Mr. BURTON. All right. I think I get the gist of your remarks. But the bottom line is from all your testimonies, and is that the administration and their counterparts in these other countries are doing almost zero as far as dealing with the drug problem, and that there is really no war on drugs that is taking place at this time. What we did have, in the 1980's up through 1992 has been dissipated. The resources are there to do at least part of the job, but nothing is being done.

Mr. WALTERS. I think we have to be serious because there are people out there with their lives on the line. And I think the other thing, the other part of that is it does not have to be this way. That is what is most shocking about what—

Mr. BURTON. There needs to be some leadership shown at the White House and the administration. Yes, Dr. Olson?

Mr. OLSON. What is of particular concern is that there is to a large degree a substitution of rhetoric for implementation and action. We painstakingly, learning from experience, put together a set of policies that I think were on the right track. I think I agree with Mr. Walters that we were not there. There were a lot of gaps and holes, but we were on the right track. What we have seen happen in recent years is that much of that effort has been dismantled or redirected. And a lot of that effort now has to be recaptured in times which are much more fiscally constrained.

But in the words of Mark Twain, I am an optimist who has not arrived. The situation in Colombia I believe could not get worse. The situation in Mexico and the ability of Mexico to cooperate, I am a little bit more optimistic on. But I think we can see from recent events in Mexico the level of rising assassination of political leaders, the use of intimidation by the cartels, the stories of penetration into various departments of government, both at local and national levels. This is the road that Colombia was on. And I think that Colombia has arrived at a situation of being a narcodemocracy. Mexico is on the road.

But I think to some degree the upheaval that we are seeing in Mexico today is the result of the fact that there is a serious attempt on the part of the Zedillo government to respond. I think there is realization in Mexico, first of all that for Mexico to be a modern nation it needs to get its economy in order. And secondly, it needs to deal with the problem of corruption. We saw the economy handled in the previous administration. I think we are seeing an effort to try to deal with corruption. But the votes are not in yet.

The issue is whether or not the Mexican Government can sustain the effort over time in cooperation with the United States to do this. And I think that is where the problem in Colombia has gone to hell in a hand basket.

Mr. BURTON. Let me end up by saying that I will pledge to you as the chairman of this subcommittee that I will get together with my colleagues to formulate a policy. With or without the help of the administration, we will try to put some pressure where it ought to

be applied to get this fight against drugs back on track or at least headed in the right direction. I want to thank you very much for your patience.

The INTERPRETER. Mr. Burton, Mr. Valle would like to elaborate more on the question of whether Mexico is a narco-democracy.

Mr. BURTON. OK. If he could briefly do that because we have to——

Mr. VALLE. Only three words. It still is.

Mr. BURTON. It still is a narco-democracy. Thank you, very much. We appreciate your being here.

[Whereupon, at 3:15 p.m., the subcommittee was adjourned.]



## APPENDIX

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STATEMENT OF ASSISTANT SECRETARY OF STATE  
FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS  
ROBERT GELBARD  
BEFORE THE  
HOUSE INTERNATIONAL RELATIONS COMMITTEE  
SUBCOMMITTEE ON WESTERN HEMISPHERE

MARCH 29, 1995

Mr. Chairman and Members of the Committee:

Thank you for inviting me to appear before your committee today. While I am here to focus specifically on the Western Hemisphere, I would like to present my comments within the context of our broader international narcotics control policy.

Since I testified before Congress on our International Narcotics Control Status Report (INCSR) last year, much has changed. I especially appreciate the concern about international narcotics trafficking the new members are showing by taking an interest in these hearings. I am anxious to work with all of you.

### The Threat

Mr. Chairman, allow me to outline briefly the nature of the international narcotics threat that we have presented in greater detail in this year's INCSR.

The spread of international narcotics trafficking constitutes one of the most persistent and serious challenges to America's foreign and domestic interests in the post-Cold War era. In his January address at Harvard, Secretary Christopher identified the need to attack international narcotics trafficking and organized crime as one of the five key objectives of our foreign policy.

From a domestic perspective, it is increasingly clear that we cannot sustain a reduction in drug use without significant progress against foreign supplies. The United States has worked hard to reduce consumption--in effect, upholding our end of the international bargain to cut demand. We have achieved noteworthy progress: cocaine consumption by casual users fell significantly between 1985 and 1992. This occurred despite inadequate efforts to reduce coca production. The latest drug abuse indicators, however, show that the use of cocaine and other drugs is rising. This suggests that our best efforts to reduce consumption will be overwhelmed if we cannot control supplies.

On the foreign front, the wealth and power of the international narcotics trade pose additional challenges to our interests. The trade generates hundreds of billions of unregulated dollars annually that cause enormous disruptions to economic planning and growth. It is a political threat: trafficker corruption and intimidation can destroy democratic institutions and their leaders. And it inflicts staggering social costs, condemning millions of drug users to painful, sick, shortened, and unproductive lives.

The potential for the problem to get worse is great. The rapid expansion and growth in communications and trade are making it easier for contraband, dirty money, and smugglers to move across borders undetected. In addition, the breakdown of central authority and the disruption of law and social order in several regions of the world are producing safehavens for new and established criminal organizations to base their operations. It is against this backdrop that we must ensure that we have a comprehensive counternarcotics policy that addresses a wide range of narcotics-related security threats.

#### Status Report

A snapshot look at the results of our efforts last year presents a decidedly mixed picture. Thanks to US leadership, more governments than ever are aware of the drug threat and have expressed their willingness to combat it. Domestic legislation was introduced in several countries restricting the spread of precursor chemicals or the use of the nation's financial institutions to launder trafficking proceeds. Important advances were made in attacking drug crops, particularly through US-supported efforts to eradicate opium poppies in Venezuela and coca in Colombia. And uncommon police efforts resulted in arrests of major traffickers in Peru, Mexico, and other key countries. In a noteworthy departure from the polarizing "user" versus "producer" response that tends to paralyze counternarcotics cooperation, several eastern Caribbean countries sought US assistance in coping with the growing power of Colombian-based organizations that are terrorizing their judiciaries and threatening the very sovereignty of their countries.

Still, the core of the drug trade remains intact. Cocaine is still our largest problem and continues to generate the most narcotics-related money and crime, but heroin is getting worse. Both drugs remain enormously abundant on the global market. The problem is also having a serious effect on Europe where drug seizures were up 55 percent in 1993.

Coca cultivation and production, after falling significantly in 1993, rose in 1994 owing largely to a significant increase in cultivation in Colombia and the failure of Peru and Bolivia--the two largest producers--to undertake virtually any eradication. Also, there were no significant efforts to reduce opium production in Burma and Afghanistan which together supply 87 percent of worldwide production. Worldwide opium production was down about 10 percent in 1994, primarily because bad weather hurt Burma's crop. But much of this loss was offset by increased production in Afghanistan, the second largest producer.

Meanwhile, the core trafficking organizations responsible for drug processing and for financing and managing the global drug trades continue to operate with impunity from political and judicial safehavens around the world. The leaders of the major organizations in, for example, Colombia, Burma, Pakistan, and Nigeria continue to operate freely because authorities lack either the will to go after them or the laws and institutions to capture and prosecute them--or both.

#### Policy Framework

I testified last year that this Administration would not conduct a business-as-usual attack on the drug trade. We promised to implement a policy that ensured greater bilateral and multilateral cooperation against the trade and a sharper attack on its most critical elements. This approach was driven by the need to sustain efforts that worked, respond to new drug trafficking threats, and make more effective use of limited resources. We are not satisfied with simply raising the costs of doing business for the traffickers. While this is certainly a goal, we expect more from international antidrug operations. We want concrete and sustained progress at reducing narcotics crop production and we want the most powerful trafficking organizations in the world dismantled through effective law enforcement operations.

We are keeping our promise. The President's 1995 National Drug Control Strategy continues our shift in focus to the source countries, so we are taking a more surgical view of how to destroy major transit and transshipment operations. Both concentrations are occurring against the backdrop of enhanced efforts to strengthen antinarcotics institutions of cooperating countries so they can shoulder more of the drug control burden. In conjunction with this effort, we are concentrating more intelligence and enforcement pressure on the kingpin organizations. We are also expanding our approaches to multilateral organizations. And we are making much more stringent use of the certification process.

Certification

Let me first discuss this year's certification. Certification is one of the most powerful tools the President has to focus international attention on the narcotics threat and achieve results. The Foreign Assistance Act requires that each year the President identify the major drug-producing and drug-transit countries and determine whether they have fully cooperated with the United States or taken adequate steps on their own in narcotics control. The United States must cut off most foreign assistance to those countries that are not certified and vote against their requests for loans from multilateral development banks. For countries found not to be fully cooperating or taking adequate steps on their own, the President may grant a national interest certification if the vital interests of the United States require continued provision of foreign assistance.

Last year I reported to Congress that President Clinton issued the toughest certification decision ever: 10 of the 26 major producing and transit countries were either denied certification or granted a national interest certification. This year, the process was even tougher. We expanded the majors list to 29 countries--adding the Dominican Republic, Haiti, Taiwan, and Vietnam, and deleting Belize. And in his decision on March 1, the President denied certification to five countries and granted a national interest certification to six others--a total of 11 countries, one more than last year.

As last year, these were difficult decisions based strictly on the 1994 counternarcotics performance of these countries and our national interests. There were no "rubber stamp" decisions. Indeed, many countries with whom we have strong bilateral relations were affected. Let me summarize these decisions, then make some separate comments on the Latin American countries that were affected.

- Two countries that had been granted national interest certifications last year--Laos and Panama--were moved to the fully certified category because of their improved performance and cooperation with us.
- Three countries were given national interest certifications for the first time: Colombia, primarily for its failure to take actions as promised against the Cali cartels; Pakistan, for not taking significant actions against opium crops, heroin producers, and kingpins; and Paraguay, for lack of credible action against official corruption.
- Afghanistan, which had been granted a national interest certification in 1994, was denied certification owing to a substantial rise in opium production.



- Burma, Iran, Nigeria, and Syria were denied certification again, and Bolivia, Lebanon, and Peru were given national interest certifications again.

#### Latin America: More National Interest Certifications

I would like to focus a few comments on Colombia, Bolivia, Peru, and Paraguay--the four Latin American countries that received national interest certifications. Before turning to them individually, however, let me say that the President's certification message this year to foreign and domestic audiences alike is strong and unambiguous: Certification is an honest process and is meant to produce meaningful international narcotics control results. We will recognize and support those countries that respond positively. Two years of increasingly tough decisions, however, should be sending strong signals to countries that doubt our resolve, or believe that piecemeal, misdirected, or last-minute efforts to enhance counternarcotics performance will satisfy us. It will not. We expect sustained cooperation focused on the core challenges.

#### Colombia

The need to control drug trafficking from Colombia is one of the most pressing narcotics and foreign policy challenges the United States faces. From the late 1970s on, we have confronted an increasingly complex and intense narcotics threat from Colombia. As Colombian traffickers have moved from large-scale marijuana production and smuggling to cocaine and, now, heroin, they have developed the most sophisticated, violent, and wealthiest organized crime groups in the world. They have taken aim at innocent citizens and government institutions around the world, but have saved their most insidious attacks for their own people. For now, the reign of terror perpetrated by the notorious Medellin syndicates has abated: Pablo Escobar and other kingpins are all dead or in jail.

But the stakes for Colombia, the United States, and many other parts of the world these organizations have penetrated remain extremely high. The Cali networks and their well-known leaders have absorbed and expanded the Medellin trade. They are now waging a similarly destructive but less visible campaign of bribery, intimidation, and mis-information to destroy the antidrug efforts of the Colombian government and cooperating nations. Their organizations have assassinated witnesses and informants in the United States, Colombia, and elsewhere, underscoring their capacity for violence.

We applaud the positive steps Colombia took last year against narcotics trafficking, most notably its decision to eradicate coca cultivation through aerial spraying. Nearly

5,000 hectares--approximately 10 percent of the crop--were destroyed, according to the Colombian government, demonstrating for the first time on a large scale the efficacy of this crop control tactic. The decision was taken none to soon; in fact, a surge in new planting outpaced eradication by two to one, resulting in a 5,000 hectare net increase in coca cultivation. US-supported opium eradication efforts were also sustained, but at about only half the rate as in 1993. Consequently, opium cultivation remains high.

Our concern with Colombia, however, is its failure to address the most serious challenge--the kingpins and their vertically-integrated trafficking organizations. Police and other officials on the front lines showed considerable determination to bring drug traffickers to justice. They and their supervisors have been prepared for this by US-provided training and tens of millions of dollars of US equipment and technical assistance over the years. We have produced analysis and shared important information with them. Colombia itself has even sought in the past to reform its criminal justice system to enhance this effort.

Nevertheless, the trafficking organizations and their leaders continued to operate with virtual impunity. Despite pledges at the highest levels of government, crackdowns on the kingpins never materialized. In 1994, the Government of Colombia took no legislative steps to reverse the 1993 revision of the criminal procedures code which made it more difficult to bring mid-level and senior syndicate heads to justice. Following the trend set in 1993, there were no arrests, incarcerations, or fines imposed on such traffickers. In addition, several previously convicted traffickers had their sentences reduced owing to Colombia's woefully lenient sentencing law and automatic sentence reduction provisions.

The United States is paying a severe price for Colombia's lack of response to the kingpin threat. The Cali syndicates in particular are undertaking increasingly brazen operations designed to deliver more drugs faster to the United States and return more dollars to Colombia. This is vividly reflected in the enormously successful trend to fly cocaine from Colombia through Mexico to the United States in 727 and other cargo jet aircraft operating out of San Andres Island, Cali, and other major cities. We are working on many fronts to stop these flights, but in the end, we need Colombia to stop, through effective law enforcement, the criminal organizations that put these operations together.

#### Peru and Bolivia

The narcotics trafficking threats from Peru and Bolivia are less complex, but no less critical to our interests, than the threats from Colombia. Together these countries grow over 70 percent of the world's illicit coca--108,600 hectares in Peru and 48,100 hectares in Bolivia in 1994. Much of this production is refined into intermediate coca products and

flown clandestinely to Colombia for final processing into cocaine. During 1994, however, there were increasing signs that criminals in both countries were becoming more involved in cocaine refining and trafficking. This raises the specter of both countries becoming more involved in international distribution, further complicating international narcotics control efforts.

In contrast to Colombia, both Bolivia and Peru improved their law enforcement operations against significant local traffickers, but neither took meaningful steps to reduce coca cultivation--their primary contribution to the illicit drug trade. In Peru, the government sentenced one of the country's top traffickers--who was captured in Colombia and returned to Peru--to 30 years in jail. It continued to implement an air intercept program even while the US stopped sharing intelligence on this threat as we reviewed our laws. The police and military seized a record 10 tons of cocaine and cocaine base in 1994. At our urging, the Government of Peru also approved a national drug control plan that defines measures to eliminate illegal drug production, trafficking, and abuse, including all coca cultivation intended for illicit uses.

Bolivia similarly improved its law enforcement efforts. It conducted four major operations designed to block trafficker movements, seized two large cocaine processing laboratories, and arrested major traffickers with links to the Medellin drug mafia. Authorities foiled a prison break by a major Colombian trafficker and his Bolivian accomplices, and arrested the warden for complicity. The Bolivian Congress removed two Supreme Court justices for corruption. The Executive Branch has supported efforts to extradite traffickers to the US, but such efforts were stalled in the Supreme Court. The government, however, has refused to initial a new extradition treaty, negotiated in 1990, choosing instead to present a different draft which we are now reviewing.

While we welcome the positive steps, the overall efforts do not meet the required conditions for certification: neither country has cooperated fully with the United States nor taken adequate steps on its own to comply with the 1988 UN Convention. Specifically, we expect to see progress to reduce coca cultivation. We do not impose magic formulas on countries to reach this goal. Both Peru and Bolivia know this must be a central objective of their near and long-term counternarcotics effort. Indeed, both countries have accepted US assistance for development programs designed to create income and employment alternatives to coca production and eventually lower cultivation.



The verdict is in on the effectiveness of an alternative development-only approach to crop control: without a credible threat to eradicate, it will not cause cultivation to fall rapidly. Neither country, however, has buttressed alternative development by eradicating crops that are grown in clear violation of the law even if the population is benefitting from US developmental assistance. In February 1994, the Government of Bolivia briefly undertook a campaign of forced eradication which resulted in a violent reaction by coca growers. Voluntary, compensated eradication dropped off sharply and new plantings increased, resulting in a net increase in coca hectareage.

The Government of Peru has ignored efforts to destroy mature cultivation, concentrating on seedbeds instead. While this approach, together with crop disease and other factors, contributed to a decline in cultivation in 1993, it is losing ground. Cultivation remained stable in 1994, but output rose as fields planted a couple of years ago reached maturity. Peruvian growers, abandoning old and diseased fields in parts of the Huallaga Valley, are rapidly turning to new and secondary growing areas. The trend is ominous. If cultivation spreads to new areas, the expansion will undermine nascent alternative development projects as well as interdiction and other operations that depend on keeping production confined to be cost-effective. The government, however, has an opportunity to mute some of the political opposition to eradication by initiating efforts to destroy new cultivation that does not represent the life-long work of the peasants. President Clinton's certification decision signals our concern with the Government of Peru's failure to address new and existing cultivation.

#### Paraguay

Paraguay is subject to certification because it is used as a transit route for cocaine shipped primarily from Bolivia to Argentina, Brazil, and eventually the United States. Our interest is in stopping these shipments through interdiction and the arrest and incarceration of traffickers who arrange and transport them. In Paraguay and other transit countries, we are concerned about trafficker efforts to protect operations by suborning government officials. Unchecked corruption will destroy the best antinarcotics operations, regardless of the level of resources and planning that goes into them. Thwarting known corruption is not costly; it is more a reflection of government will and commitment than ability and resources.

It was the prevalence of serious corruption suspected among Paraguayan officials last year, and the government's lack of will to respond, that led to the national interest certification. Several high-level officials in the

government and the armed forces are suspected of facilitating the transit of illicit drugs, and in engaging in, encouraging, and facilitating the laundering of proceeds from illegal drug transactions. A major narcotics operation in early 1994 appeared to have been compromised when Paraguayan law enforcement authorities did not provide adequate cooperation. Despite vows to combat corruption, the Government of Paraguay did not undertake aggressive investigations to identify and punish corrupt officials and prevent further cases of malfeasance.

The decision to grant national interest certifications to Colombia, Bolivia, Peru, and Paraguay underscores their importance to our overall interest in improving the quality of life and security in the hemisphere, a goal unanimously endorsed at the Summit of the Americas President Clinton hosted in Miami last December. Our own interests require that their democracies and economies grow larger and stronger. Indeed, this is critical to any long-term strategy to reduce narcotics production and trafficking at the source. Accordingly, even though these four countries did not meet the requirements for certification, denial of certification would have caused grave damage to our narcotics control or other foreign and domestic policy interests in the region.

This year's certification message is already having an impact. Colombia has promised to make significant progress towards incarcerating the leaders of the Cali cocaine networks and eradicating all of the country's coca and opium poppy cultivation. There are several important follow-up actions to the Summit that the 34 participating countries are to take collectively and individually to control the narcotics problem. As we did last year, we will make our expectations for 1995 perfectly clear through a series of at least two demarches that we will send to all of the major drug-producing and transit countries (except Iran and Afghanistan where we do not have missions). In the spring, we will outline our expectations; in the fall, we will assess progress.

#### Mexico and Other Challenges

Latin America presents other narcotics control challenges. There is always the potential for cultivation to spread to other countries: INL-funded eradication programs have virtually wiped out Guatemala's once-thriving opium crop and, over the past year, they have stopped an emerging opium crop in Venezuela and a coca crop in Panama cold. The United States has stopped the flow of essential and precursor

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cocaine-manufacturing chemicals to suspect consignees in Latin America, but they continue to be supplied from Europe and elsewhere. Through the OAS, we are teaming up with Latin American governments to close the European pipeline, too. Traffickers are always probing our interdiction defenses with new routes and methods, and with these and other operations comes their constant application of bribery--their most effective tool to weaken government resolve and undermine our efforts.

This brings me to the need to make a couple of points about Mexico where new evidence is increasingly exposing high-level corruption in the previous Mexican administration. We have always been aware--and acknowledged--that law enforcement corruption in Mexico is a deeply entrenched, serious obstacle to bilateral antinarcotics cooperation. We became increasingly concerned about this problem last August when the Government of Mexico confiscated a Caravelle cargo jet that reportedly had smuggled 10 tons of cocaine from Colombia, but seized only 2.5 tons. As we learned more about this and subsequent cargo jet operations, we pressed the former Mexican administration to investigate our suspicions and, after the Zedillo administration took office in December, indicated that we expect close cooperation from the highest levels of government to stop this new and dangerous trafficking trend.

I have just returned from having serious and frank discussions with Mexico's most senior antinarcotics, law enforcement, and Foreign Ministry officials on this and related narcotics control issues. I went because President Clinton suggested these meetings and President Zedillo accepted.

They went extremely well. Alarmed by the unprecedented series of drug-related assassinations in Mexico over the past year, the Zedillo administration sees escalating trafficking as a national security threat that must be stopped. It also knows how important this is to Mexico's relations with the United States. Indeed, it is because of the Zedillo administration's commitment to attacking senior crime figures and institutional corruption that we are realizing how bad the corruption problems were under the Salinas government.

Despite the problems, we share our most important bilateral law enforcement relations with Mexico. They cover narcotics and a wide range of related crime that potentially affects every American household. We now see clearer than ever the improvements Mexico must make, and the assistance we can offer, to strengthen these relations. We should not move recklessly to throw the good out with the bad, but instead build on these new revelations.



### Institution-building

Neither denying certification nor granting a national interest certification affects our counternarcotics assistance to the major countries. Increasingly, we are focusing this assistance on the institutional weak links in their counternarcotics programs. For many countries, this means strengthening their police and judicial capabilities to identify, investigate, and prosecute major traffickers. We have experienced too many cases where effective police operations, made possible by years of US-provided training and assistance, have been nullified by weak and corrupt judicial systems that let the traffickers, their accomplices, and assets go. It also means enacting domestic legislation and developing investigators and regulators to control money laundering and chemical diversions. These are low-cost tactics that can produce high-value dividends.

For the producer countries, institution-building also means the development and implementation for the first time of comprehensive strategies to eliminate narcotics crop production. We are not blind to the difficulty of this task; yet we know that without progress against the crop, the prospects of achieving a significant and sustained reduction in the supply of illicit drugs are dim. We believe the opportunities for coca control in the Andes are improving. Successful US-supported aerial spray operations in Panama and Colombia this past year demonstrated the technical feasibility and cost-effectiveness of this approach. Colombia has made a public commitment to eradicate, Peru has developed a comprehensive strategy to reduce cultivation through alternative development, and we are pressing both Peru and Bolivia to reinforce alternative development with eradication. Asian opium is more problematic given the lack of government influence in the major growing areas and the perennial nature of the crop. In all of these areas, there are serious political, economic, and security barriers to crop control. In most cases, the need to provide alternative development assistance will be critical to getting the programs underway and helping to lower these barriers.

### International Cooperation

Our success at increasing global awareness of the narcotics threat has not relieved the United States of having to lead the international effort against it. We do not intend to wage this battle alone, however, and have intensified our efforts to get key multilateral organizations more involved in this effort.

A major goal is to get the multilateral development banks (MDBs) to focus more of their loans on programs that can help create income and employment alternatives in narcotics-producing areas and strengthen the ability of

judicial systems to investigate and prosecute drug traffickers. The MDBs have traditionally been reluctant to support such programs. The Department, working with AID and Treasury, has, however, initiated discussions with the World Bank and the Inter-American Development Bank that, for the first time, have gotten them to consider such programs for Peru and Bolivia. I am following up on this opening, including trying to encourage the World Bank to host a hemispheric conference of donors later this year as called for by the Summit of the Americas.

I have recently returned from Vienna where I held extensive consultations on narcotics-related development issues with the UN and our Dublin Group partners. The Dublin Group was formed by the United States and includes the 15 EU members, Norway, Canada, Japan, and Australia to coordinate their counternarcotics assistance and programs. The feed-back was positive, particularly with regard to our initiatives to seek greater involvement by the MDBs. The UN and the Dublin Group members also acknowledged the key roles they can play in Asia where our influence is limited. In all these cases, we stressed that assistance comes with a price: the recipient countries must take steps to eradicate drug crops if development projects alone do not cause growers to abandon and destroy their fields.

#### Budget

Mr. Chairman, through certification, our efforts with the multilateral organizations, and other aspects of our policy, we have set the stage for significantly improved international narcotics control efforts in 1995. We must be prepared to buttress these efforts and provide assistance to countries that demonstrate their commitment to narcotics control. We are, however, mindful of the need to practice fiscal restraint: the President's proposal for the international affairs budget--a mere 1.3 percent of total federal spending for the next fiscal year--is already austere. It reflects important initiatives to streamline our activities and save where we can.

As I noted at the beginning of my statement, our international narcotics control program is an integral part of our broad international efforts to advance America's interests. Today America faces a choice between the concrete benefits of international engagement and the illusory appeal of isolationism. Those who say they are for a strong America must help keep America strong. We cannot have it both ways. We cannot be the world's most powerful nation if we do not marshal the resources to stand by our commitments. We cannot lead if we do not have all the tools of leadership at our disposal.

For a program that is as small as ours, yet so closely linked to the health and safety of the American people, we have borne our share of recent budget cuts. This has meant cutting our programs to the bone, closing our least critical foreign operations, wiping out most of our pipelines, and shrinking our airwing operations. We continue to postpone the implementation of new programs and, to the extent safety considerations permit, delay upgrades and maintenance. Lack of funds is stymieing our response to the growing heroin threat.

We simply cannot sustain a credible international narcotics control program at current funding levels. We are seeking to consolidate funding from economic and military counternarcotics assistance programs and the traditional international narcotics control budget into one account. We desperately need these funds to follow through on the source country crop control and interdiction programs that are crucial to the success of our strategy. Moreover, the consolidated budget further ensures that the economic and military support funds in particular go strictly for counternarcotics objectives. This is a practical way of tightening counternarcotics oversight and makes good fiscal, policy, and national security sense.

#### Conclusion

Mr. Chairman, in the post-Cold War era you can hardly find a foreign policy issue that has such an immediate and direct detrimental effect on so many Americans as the international drug trade. There should be no question that the resources we spend on combatting this problem abroad serve first and foremost the American people. I strongly believe that if we do not get ahead of this problem overseas, it will eventually overwhelm our best domestic efforts to combat narcotics abuse, crime, and poverty.

As I have briefly outlined here, we have a policy and strategy designed to strike at the heart of the international narcotics trafficking problem. It contains no magic bullets or quick solutions. Nor does it pretend to go after the easy targets; the easy targets are often the least consequential. Instead, it seeks to put pressure on the most important parts of the trade--the producers and the most powerful traffickers that run it.

By taking this approach, we are challenging the key countries and the rest of the international community to undertake more aggressive and effective antidrug efforts. We are running into political resistance from some countries. We believe, however, we can work through this resistance with carefully designed assistance programs, effective institution-building, and honest use of the certification process. Your support will clearly strengthen our hand and accelerate the progress that recent events have shown can be achieved through focused and sustained efforts.

Thank you.

**Remarks by Thomas Constantine  
House International Relations Subcommittee  
on the Western Hemisphere  
Rayburn House Office Building  
March 29, 1995**

Mr. Chairman, Members of the Subcommittee: I'm pleased to appear before you today to discuss the Drug Enforcement Administration's role in attacking the narcotics trade and drug trafficking organizations that are creating havoc in all countries of the Western Hemisphere.

Mr. Chairman, in the last year, it has become increasingly evident that virtually every nation of this hemisphere is being adversely affected by the spread of drug trafficking. Plainly stated, the drug situation in the Western Hemisphere has grown worse:

- The Cali mafia and its leaders continue to flourish, untouched in Colombia, which is the source of three-fourths of the world's supply of cocaine;
- The Cali mafia has now formed a partnership with transportation organizations in Mexico with whom they work hand-in-glove to smuggle increased amounts of drugs across the U.S. border;
- Drug trafficking organizations in this Hemisphere continue to undermine legitimate governmental institutions through corruption and intimidation;
- Here at home, drug availability and purity of cocaine and heroin are at an all-time high;
- Drug use, as well as violence, has increased among our young people, and
- Many of our communities have become virtual war zones as drug gangs protect their turf and carry out their illegal business.



Simply stated, our international counternarcotics policy has two important objectives:

- 1) To reduce availability of drugs, like cocaine and heroin, in the United States;  
and
- 2) To reduce the threat that the drug trafficking organizations pose to democracies and governmental institutions.

Clearly, our international strategy is intertwined with our domestic strategy. What countries in Latin America do—or fail to do—has a direct impact on the quality of life here in the United States. Therefore, if our strategy against drugs—and the organizations who produce and distribute them—is to succeed, it's important that we have excellent cooperation from our international partners in both the source and transit countries.

Trying to defeat and destroy these powerful, multinational trafficking organizations requires the United States to work with those nations that have the political will to fight against drug traffickers and their organizations. This is what DEA is doing, Mr. Chairman, and today, I'd like to focus my remarks on DEA's efforts to work with the Andean nations of Colombia, Peru, and Bolivia—the major source of the world's cocaine supply—as well as our efforts to work with our southern neighbor, Mexico—through which the majority of cocaine that enters the United States transits.

### *Colombia and the Cali Mafia*

In considering the U.S. partnerships with the source countries, unquestionably, Colombia looms far above all other countries as the epicenter of the cocaine trade. Not only is it the transshipment hub and the refining center, but it is also the home of the world's most dangerous international criminal organization—the Cali drug mafia—and its leaders.

The cocaine supplied by the Colombian drug mafia fuels violence here and in Colombia. Their handiwork is all around us—in the crack houses littering the landscape, in the alleyways where spent crack vials lie among the trash, in the broken homes and broken dreams of countless people in our cities. In reality, the Cali mafia is in large measure responsible for the violence we see play out on American streets in the form of gang wars, drive-by shootings, and random crime.

Last year, we estimate that the Cali mafia produced more than 700 metric tons of cocaine, and that proceeds from the mafia's operations in the U.S. exceeded \$7 billion—that's more than 8 times the size of DEA's annual budget. And this figure does not include the billions of dollars that stay in the hands of retail drug dealers in the U.S. or that are derived from the Cali mafia operations in Europe.

As a result of their extensive wealth, the Cali mafia members have money to buy the finest financial minds to control and move their illegal money. They buy the newest state-of-the-art technological equipment. And, what power their enormous wealth cannot buy, they gain through intimidating and terrorizing innocent citizens, legitimate governmental institutions and judicial systems. All of the above are means to defeat law enforcement efforts to collect evidence against them.

Law enforcement is often sprinting just to keep pace with the advances of these criminals. In many respects, we are outgunned, outmanned, and outspent many times over by these wealthy and unchecked criminal organizations. The Cali mafia poses an organized criminal threat to the U.S. of unprecedented proportions.

Who are these people and why are they allowed to operate so freely?

The Cali mafia is actually a federation of major drug trafficking organizations operating out of Cali, Colombia. The combination of these organizations has resulted in the creation of the most powerful international drug trafficking organization in history.

Begun in the early 1970's by Gilberto Rodriguez-Orejuela and Jose Santacruz-Londono, the original criminal enterprise involved itself in counterfeiting and kidnapping, but gradually expanded into smuggling cocaine base from Peru and Bolivia to Colombia for conversion into powder cocaine.

The Rodriguez-Orjuela brothers—Gilberto and his younger brother, Miguel—are known as the transportation specialists who move cocaine out of Colombia into the United States and other countries.

Jose Santacruz-Londono, who is responsible for establishing distribution cells in the U.S., is believed to have ordered the killing of newspaper editor Manuel del Dios in Queens in 1991.

The Cali mafia is highly organized and tightly controlled by its leaders in Cali. Gilberto Rodriguez-Orejuela, for example, is responsible for the strategic, long-term planning of the organization. Miguel is the hands-on manager who runs the day-to-day operations. Each day, details of loads and money shipments are electronically dictated to heads of cocaine cells operating within the United States. The Cali drug lords know the how, when and where of every cocaine shipment, down to the markings on the packages. The Cali mafia bosses set production targets for the cocaine they sell and are intimately involved in every phase of the business—production, transportation, financing and communications.

The dominance of the Cali drug lords continues throughout every aspect of cocaine trafficking in the U.S. Once you go above street-level dealers, you encounter a well-organized system of cells, couriers, money cars, stash houses, and a system of organization that would easily be the envy of the traditional mafia. The bosses at the very top never leave the safety of Colombia, but their vicious impact continues to be felt on the streets of our communities.

Being the smart businessmen they are, the Cali mafia has diversified into heroin. This is not by accident—it is a shrewd marketing decision made by the same people who introduced crack into the United States in 1985. Unless checked, Colombian drug traffickers will be poised to become important players in the Western Hemisphere heroin market within the next decade.

South American heroin poses a potentially serious threat to the United States primarily because of the trafficking resources controlled by the Colombian cocaine trafficking organizations. We can expect that the Colombian cocaine traffickers will use the transportation, wholesale distribution, and money laundering networks they have established over the last decade to gain a foothold in the U.S. heroin market.

Not only has the Cali mafia been adept at finding new markets, but they have been experts at changing their tactics and trafficking routes to outpace enforcement efforts. Currently, Colombian organizations are buying large cargo and passenger jets—like 727's—gutting them and using them to transport multi-ton loads of cocaine to Mexico. For example, recently a 727 landed in Mexico, offloaded cocaine as the plane was re-fueled, and returned to Colombia with millions of dollars in cash.

### *Immunity for the Kingpins*

Because dismantling the drug mafias is DEA's major priority in the Andean region, Colombia is key to any drug control strategy. It is essential that the United States, Colombia—and all the other countries in the region—recognize that full and complete cooperation is necessary to achieve success against these criminal organizations.

I have met with the Colombian Minister of Defense, Fernando Botero, the Colombian Justice Minister Nestor Humberto Martínez and Prosecutor General Alfonso Valdivieso. They all express deep concern about the influence of the Cali Mafia and pledged their Government's support to target the cartel leaders.

I must point out, however, that while these Colombian leaders have agreed that they need to address the problem of the Cali mafia, the fact remains that neither they—nor their predecessors—have arrested the top Cali leaders. Promises have been made in the past, without results. I maintain the belief that "actions speak louder than words."

It seems to me quite ironic that the Government of Colombia can't seem to locate and arrest these criminals when news reporters are able to interview them. And, it becomes even more curious when—during a television interview on March 14—a member of the Committee on National Security indicated that members of the committee had personally met with Cali mafia leaders Miguel and Gilberto Rodríguez-Orejuela, Pacho Herrera, and Jose Santacruz-Londono to solicit their views on a surrender policy.

As I've told just about every Colombian official I've met since starting this job, we will never make a deep dent in the international drug trade until we bring the mafia leaders to justice. I know that our contacts in the Colombian police have similar reservations.



The analogy I like to use is the way we used to attack organized crime in this country before we understood what it was and how to fight it. We used to go after its manifestations—the bookies, the pushers, the loan sharks, the numbers people. And it didn't work.

Forty years later, by using the strategy of constantly attacking the heads of the organized crime families, we have had positive impact by taking out the heads of the mafia families in the United States.

This is the experience that formed my sensitivity of organized criminal enterprises. To me, going after the drug trade without going after the Colombian leaders would be like arresting John Gotti's bookies and leaving him free to conduct his business. With our help, our Andean partners must bring these key cartel leaders to justice, see that they are held properly accountable for their crimes, and completely stripped of their vast ill-gotten gains. Only then will they be stripped of their destructive powers.

As a consequence, a lot is riding on the commitment of the Colombian authorities. As you know, the Cali mafia's skillful compartmentalization and the foreclosure of the extradition option, mean that domestic investigation can only take us so far. By virtue of the huge amount of money attached to the cocaine trade, historically organized crime has been able to wield a significant amount of influence over government policies and institutions. Without a doubt, corruption is one of the biggest problems facing Colombia and its ability to bring the Cali drug lords to justice.

#### *U.S. Expectations of Colombia*

What is it, then, that the U.S. government should realistically expect the Government of Colombia to do about the narcotics trade? The spotlight of Colombia's counterdrug efforts must be directed toward the arrest and incarceration of the Cali drug mafia leaders. The Colombian Government's primary counterdrug objective must be to incarcerate the Cali drug lords for a period of time commensurate with the severity of the crime and under prison conditions that will not allow them to continue their drug operations.

Our Government must speak with one voice and send a clear and unambiguous signal to the Colombian Government that its relationship with the United States will be linked to Bogota's good faith efforts in the counterdrug arena. Likewise, the United States must continue to promote judicial reform and other institution-building initiatives in Colombia.

The serious problems I have outlined regarding Colombia notwithstanding, it is fitting to recall that Colombia has lost more lives than any other country in the Andean Region in its struggle against international drug trafficking.

### *Mexico*

Now, I'd like to turn my attention to another nation that is critical to U.S. drug control efforts—Mexico. Not only do we share a common border, through which three-fourths of the cocaine enters our country, but Mexico has long been a major source country for heroin and marijuana. Mexico has also had an established drug trafficking infrastructure that stood ready to serve the Colombian mafias as they adjusted their trafficking routes after U.S. enforcement actions in South Florida and the Caribbean in the late 1980's.

Mexican cocaine trafficking was pioneered by Juan Ramon Matta-Ballesteros, a Honduran who was actively involved from the mid-'70s to the mid-80's with the Mexican Guadalajara Cartel. This was the group responsible for the kidnapping, torture and murder of DEA Special Agent Enrique (Kiki) Camarena in 1985. By the mid-80's, the Mexican organizations were well-established and reliable transporters of Colombian cocaine.

Since December 1994, Mexico has been under new leadership, and the new President of Mexico, Ernesto Zedillo—as did his predecessors—has vowed to combat drug trafficking and reduce corruption. The new Attorney General—as did his predecessors—has also pledged to strengthen legal controls over money laundering and precursor chemicals and to institute reform of Mexican law enforcement agencies.

This will not be an easy task for the Mexican government because of the historical implications of both drug trafficking and corruption. For decades, the Mexican border economies have been supported by the southbound smuggling of U.S. goods. It was these institutional southbound smugglers that picked up the marijuana boom and used their routes and systems to smuggle marijuana into the U.S. during the late 1960's and 1970's—and on to the present. The same Mexican officials who provided “a wink and a nod” for profit with southbound merchandise did the same with northbound shipments of drugs. This, in a sense, is a cultural phenomenon in this border area.

Today, the U.S. is faced with Mexican trafficking organizations working hand-in-glove with the Cali drug mafia to smuggle more and more cocaine into the U.S. The multi-ton loads of cocaine that Cali now flies into Mexico is handed over to the Mexican trafficking organizations who transport it across the U.S. border. Bulk loads are primarily smuggled across the border in vehicles, such as produce trucks, or commercial tractor trailers—usually specially equipped with false storage compartments. Small amounts are smuggled across by couriers or “mules.”

The Mexican traffickers guarantee to repay the Colombians for lost or confiscated loads of cocaine. Mexican drug organizations are often paid in cocaine and are given control of drug movement across the border. Once the cocaine has been smuggled into the United States, Mexican organizations turn it back over to the Colombians for distribution.

In recent years, law enforcement has also uncovered two tunnels built to move cocaine from Mexico into the United States. The first was discovered in Arizona. The second nearly-completed tunnel was discovered near the Tijuana Airport and led to an unfinished warehouse in the United States.

Over the past two years, reporting and drug seizures have also indicated a significant increase in maritime smuggling operations from Colombia to Mexico. The expansion of maritime smuggling in Mexico was highlighted in the October and November seizures of 15 metric tons of cocaine from two vessels off the west coast of Mexico. In addition, a DEA investigation following a 3.3 metric ton cocaine seizure in Peru in January of this year revealed that the cocaine was intended to be shipped via container vessel from Peru to Mexico.

There are three major Mexican drug trafficking organizations that work closely with the Cali mafia.

### **Juarez Cartel**

One of the most notorious of these trafficking organizations is the Amado Carrillo-Fuentes organization, sometimes referred to as the "Juarez Cartel." Carrillo-Fuentes is the chief transporter for the Cali mafia leader Miguel Rodriguez-Orejuela.

### **Juan Garcia-Abrego**

Another influential Mexican trafficker acting in concert with the Cali mafia is Juan Garcia-Abrego, who is an FBI fugitive and is involved in smuggling drugs from Mexico into south Texas. Juan Garcia-Abrego was recently added to the FBI's top ten most wanted fugitives, the first time an international drug trafficker has been included on the list.

### **Tijuana Cartel**

Controlling most of the contraband crossing the border between Tijuana and Mexicali is the trafficking organization headed by Benjamin Arellano-Felix. This organization, sometimes referred to as the "Tijuana Cartel," has had an ongoing feud with the Joaquin Guzman-Loera organization. Feuding between these two groups has become increasingly violent, and the jury is still out on the true facts surrounding the killing of Cardinal Posadas at the Guadalajara airport in May 1993. Since June 1993, over \$40 million in assets have been seized and almost 50 members of the Arellano-Felix organization have been arrested in Mexico.

These powerful Mexican trafficking organizations that conspire with the Colombian cartels to transport hundreds of tons of cocaine to the United States must be stopped. This must be done—not as a favor to the United States—but because of the corruptive threat they pose to legitimate Mexican government institutions, to the PGR, to the Army, to the courts, and to the police and government officials.



It is well to remember that in 1985, when DEA Special Agent Kiki Camarena was kidnapped, tortured, and brutally murdered by drug traffickers, the Government of Mexico was unable to thoroughly investigate those responsible because too many Mexican state and Federal officials were part of the trafficking and accepted large sums of money from the Guadalajara Cartel for protection. While inroads against corruption have been made by the Mexican government, much more needs to be done to root out the pervasive problem that significantly hinders law enforcement efforts in Mexico.

In addition, Mexico has become a significant source country for methamphetamine, as well as a transit country for ephedrine, a chemical used in the manufacture of methamphetamine. Unfortunately, DEA is all too aware of Mexico's methamphetamine problem. Last summer, DEA Special Agent Richard Fass was shot and killed by Mexican methamphetamine traffickers during an undercover operation.

To counter the threat posed to the U.S. by the Mexican trafficking organizations that have been identified by federal law enforcement, the DEA and the FBI have instituted the **Southwest Border Initiative**. This strategy targets the principal Mexican transportation groups that operate in the border area.

Along the border, DEA works closely with other federal law enforcement agencies, including U.S. Customs, Immigration and Naturalization Service (Border Patrol) and state and local agencies. As the Border Patrol places greater emphasis on Southwest Border immigration issues, we anticipate increased drug seizures. DEA must respond to these seizures, which will almost always provide additional intelligence about drug trafficking activities and often lead to drug enforcement actions.

Mexico is also a major money laundering nation. And, in December 1993, a **Mexico Money Laundering Task Force** was established among the DEA, FBI, IRS, and USCS to work with the Government of Mexico to investigate financial crimes.

*Peru and Bolivia**Peru*

The U.S. must also turn its attention to Peru and Bolivia as important players in the drug trafficking equation. Peru is the source of two-thirds of the world's coca supply, a major production center for cocaine, and a producer of large quantities of the world's cocaine base.

DEA is encouraged that the Government of Peru has recently begun to respond more vigorously to drug trafficking activities. Decrees by President Fujimori have resulted in greater involvement by Peru's Army, which was instrumental in a six-ton cocaine seizure last year in Manu, near the Brazilian border. The Army recently cratered airstrips in Peru's Apurimac Valley.

The Peruvians have also indicted and arrested major traffickers. In January of 1994, Colombian authorities arrested the man known as the Pablo Escobar of Peru—**Demetrio Chavez-Penaherrera**—better known as **Vaticano**—and expelled him to Peru, where he was sentenced to 30 years in jail. Chavez had been indicted in Peru in April 1993 after a joint Peruvian National Police/DEA operation proved that he was linked with the Cali drug mafia.

And, in January of this year, the Peruvian National Police, working with DEA, made the largest seizure of cocaine hydrochloride in their history. After a 4-month investigation of the **Lopez-Paredes organization**, 3.3 tons of cocaine hydrochloride were seized and 40 people were arrested, including two members of the Lopez-Paredes family and a principal money mover.

This demonstrates Peruvian police investigative capabilities, and shows that, working with DEA, they can make a difference in long-term, complex investigations. Peru is also making a substantial effort to attack the Colombian-Peru "airbridge," which illegally uses Peruvian territory to smuggle cocaine out of Peru and back to Colombia. In fact, on March 14, Peruvian authorities seized a Colombian airplane, almost \$400,000 in U.S. dollars and arrested 2 Colombians. A bribe attempt offered by the Colombians was unsuccessful.

We believe that there is an open window of opportunity to have a significant impact on the production of cocaine in Peru, if we, unified as a government, place our priority and efforts into supporting our Peruvian counterparts with implementation of such initiatives as targeting the major trafficking groups and attacking the airbridge.

### ***Bolivia***

Bolivia, too, is important to an effective counternarcotics effort in the source countries. Because Bolivia is both a major coca and cocaine producer and the site of a number of entrenched organizations aligned with the Cali drug mafia, DEA's mission comes in two distinct halves:

**First**, on the tactical side, we are supporting the operation of small, highly-specialized investigative units targeting major traffickers and their key lieutenants.

**And second**, on the strategic level, we are helping the Bolivians mount operations aimed at interdicting the flow of cocaine products and precursor chemicals.

#### ***High-Level Investigations:***

With support from DEA, DOD, and other agencies, specialized units in the Bolivian police have successfully mounted complex investigations into both Colombian-directed and indigenous Bolivian trafficking organizations.

Last Spring, for instance, two Justices of Bolivia's Supreme Court, including Chief Justice Oblidas, were impeached on charges of narco-corruption as a result of one such Bolivian police investigation.

In addition, a joint DEA/Bolivian investigation resulted in public exposure of drug ties in the past administration of President Jaime Paz Zamora and drug ties in almost all of his senior advisors, causing Paz to resign from public life.

### *Interdiction Operations*

As a result of joint U.S./Bolivian enforcement operations, we have severely curtailed trafficker flights into Bolivia's Chapare Valley. We are keeping aircraft out of the valley through the use of a huge informant network, technical intelligence collection, overflights, and an innovative vacuum testing program which has resulted in the seizure of aircraft with cocaine residue.

We need to sustain DOD detection and monitoring, which have been instrumental in keeping airplanes out of the Chapare. In the first eight months of 1994, only two flights were confirmed successful, while 12 attempted flights were prevented.

### *Conclusion*

In the long-term, Mr. Chairman, our ability to counter the threat that drugs, like cocaine and heroin, pose to the United States is directly proportional to the ability of Latin American governments to effectively take law enforcement actions against trafficking organizations operating within their borders.

Decades of experience in fighting drugs has taught us important lessons:

- We have learned how critical it is that we work with our foreign counterparts to strengthen and professionalize their institutions, such as the police and other elements of the criminal justice system, so that ultimately they are strong enough to arrest and successfully prosecute the leadership of these criminal drug organizations; and
- We have also learned that fighting against these sophisticated, wealthy multinational organizations requires us to fight smart—mounting sustained, coordinated attacks on the key vulnerabilities of the organizations—their leadership, communications, transportation, and finances—to weaken and destroy their infrastructure.

With these lessons in mind, I would like to suggest that there are a number of steps that must occur before Western Hemisphere nations get relief from these trafficking organizations—this includes things that must happen in the United States and things we must do in partnership with Latin American nations.



## *United States*

Here at home, we must:

- Secure our Southern land border.
- We must investigate the highest-level trafficking organizations in the U.S., especially those who promote violence in our communities; and
- We must lessen America's seemingly insatiable appetite for illegal drugs through education and prevention programs. Without customers, there would be no market—or profit—for drug traffickers. The United States must treat drugs as a silent attack on this nation.

## *Latin America*

- First and foremost, the governments of Latin America must arrest, prosecute and incarcerate the drug mafia leaders and sentence them to imprisonment for terms commensurate with the severity of their crimes. **Nothing less will do.**
- We must work with our Latin American counterparts to close the airbridge between source and transit countries, and create competent intelligence systems in those countries, so that we can counter whatever alternative methods the traffickers change to.

It is clear that our efforts to stop drug trafficking and drug abuse will require both sacrifice and national will. It seems to me that as a nation we have never fully committed ourselves—and our resources—to an all-out effort to defeat the cancer of drugs that eats away at so many of our most important values. We've made good attempts in the past, but we never seem to maintain the momentum, which is so evident today with the rising rates of drug abuse among our children after 14 years of steady decline.

Our actions as a people must reflect our strong resolve to defeat this hydra-headed monster that preys on our most vulnerable citizens and destroys our American way of life. Until we, as a people and as a nation, act as though drugs—and those who traffic in them—are Public Enemy Number 1, we will continue to see their destructive influence all around us. If another country harbored terrorists who flooded the U.S. with chemical weapons, with jet aircraft and smuggling, what public official or American citizen would settle for anything short of capturing and punishing those responsible? **We must treat the drug situation no differently.**

Mr. Chairman, I appreciate having this opportunity to appear before the Subcommittee this morning. I am optimistic that our international programs will continue to pay benefits. But, I am realistic about the limitations of our international programs, and I fully understand that we cannot expect other nations to solve our drug problems for us.

Last summer, the deaths of five DEA Special Agents in a plane crash in Peru was a harsh reminder to us that the struggle against drugs is not without a heavy price. These men and women were engaged in a long and difficult battle, one that we must continue to fight here in our own country, as well as with our international partners.

Now, Mr. Chairman and Members of the Committee, I will be happy to answer any questions you might have.

**TESTIMONY BY WM. J. OLSON  
FORMER DEPUTY ASSISTANT SECRETARY OF STATE  
BUREAU OF INTERNATIONAL NARCOTICS MATTERS**

**BEFORE THE SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS  
OF THE  
COMMITTEE ON INTERNATIONAL AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**29 MARCH 1995**

Mr Chairman and Members of the Committee:

Let me begin by saying that no country has sacrificed more than has Colombia in the effort to deal with drug smuggling. I salute the heroic efforts, past and present, of the many courageous political and social leaders who have braved assassination and intimidation to confront the cocaine drug lords that have battered onto Colombia like some terrible tropical fungus. Thousands of policemen and innocent by-standers have died at the hands of the thug squads employed by the so-called cartels. Few major families in Colombian society have remained unscarred by the activities of the cartels, which increasingly pervade every aspect of life in Colombia. Murder, kidnapping, maiming, threats, bribery, and now growing drug use are daily afflictions in all the major cities of Colombia. The story is a sad one and a telling lesson for all of us. It is this story that I want to focus on.

In telling this story I make five major points:

- First, that the nature of drug cartels activities are changing and the challenge they represent is growing worse. The cartels themselves are now major national security concerns of the nations of this hemisphere.
- Second, that efforts by major producing countries in the region, such as Colombia, are failing to meet the growing challenge.
- Third, that US efforts to interdict supplies of drugs coming to this country have significantly eroded.

- Fourth, that the consequences can be seen in increased drug use in the United States.
- Fifth, that there are a number of things that we must do in order to respond to the threat.

I want to begin by outlining the nature of the drug business in Colombia and then describe its international reach and how it is affecting virtually every other country in this hemisphere, particularly the unfolding of events in Mexico. Next I will discuss how the activities of the cartels are undermining economic and social life in the region. I then want to discuss the ways and means open to us so that we can deal with these problems and why the present administration's approach has become a part of those problems, making our overall situation worse. To understand the true extent of what is happening it is important to understand the context. How is all of this happening. Let me begin, then, with a brief look at the nature of the drug business.

#### THE BUSINESS OF DRUGS

The first fact to recognize in understanding the cocaine trade is to appreciate that the cartels are business enterprises. As such, they have a number of identifiable characteristics. These include producing a commodity; and concern for profit/loss, for marketing and market dominance, for risk reduction and security, for searching out new markets and techniques, for strategic alliances, and for maximizing their returns. What this also means is that the cartel leaders are rational planners with great entrepreneurial skills and as such have created sophisticated, diversified organizations to promote and protect their activities. Colombia has one of the best educated and most entrepreneurially talented populations in Latin America, and the cartels have been able to draw on diverse talents and capabilities to build a worldwide business system.

**Production:** Over the years the cartels have developed an extensive system for producing cocaine. This begins with the cultivation of an agricultural crop whose product must be harvested, processed, shipped, and protected. Production takes place in several phases in a variety of countries. Coca is primarily grown in Colombia, Bolivia, and Peru, with small amounts in Ecuador and Brazil. It is generally grown in small plots in remote areas by peasant farmers or displaced



workers from other areas who have turned to growing coca as a cash crop. The best quality coca--that returning the highest yield of alkaloid content per leaf--is that grown in Peru. Colombian-origin coca tends to be the worst, although improvements in chemical processing have improved yields even in Colombia coca.

TABLE 1. NET COCA CULTIVATION IN HECTARES

Country	1991	1992	1993	1994
Bolivia	47,900	45,500	47,200	48,100
Colombia	37,500	37,100	39,700	45,000
Peru	120,800	129,100	108,800	108,600
<b>Totals</b>	<b>206,200</b>	<b>211,700</b>	<b>195,700</b>	<b>201,700</b>

Source: *International Narcotics Control Strategy Report*, 1993.

After the leaves are harvested and initial, on-site processing creates coca paste and coca base, cartel representatives, like commodities buyers, purchase the local results and ship these, typically by air, to laboratories in Colombia for final processing into cocaine hydrochloride (HCl). While the majority of these labs remain in Colombia, there are increasing signs that the cartels are diversifying their final production facilities, moving many of them to the ill-controlled border areas of Brazil.

The yield from the annual coca crop, which may be harvested up to four times per year, produces roughly 700-900 metric tons of cocaine. The worldwide market for cocaine is unclear, although the US market accounts for only about 350-400 metric tons of this product. The remainder is marketed in Europe, Asia, and Latin America. There is considerable excess production, and it appears that, given the nature of the difficulties of trying to control coca output with any degree of accuracy, the cartels have opted for maximizing coca production. They then hold any excess cocaine HCl in reserve to cover losses--from seizures or accidents--thus maintaining a fairly steady supply to meet market demands and fluctuations.

**Profit/Loss:** The primary aim of the cartels is to provide a commodity to a consumer, to create and sustain a market, in order to earn as much profit as

possible. As it happens they traffic in goods and services that are illegal, but that is not of any significance to the traffickers, who regard the laws in this or any other country as an impediment to profit. Their major concern is with the overhead costs imposed by legal sanctions and how best to keep these costs low and profits high.

In creating a market for their product, the cartels have become international business enterprises and become increasingly highly diversified in their skills and operations. They employ accountants, financial advisers, security experts, communications experts, transportation gurus, farmers, agricultural extension workers, chemists, pilots, air traffic controllers, government officials, politicians, policeman, judges, lawyers, congressmen, presidents and prime ministers, publicists, and a host of supporting staff spread in networks throughout this hemisphere and now around the world. Their activities score billions of dollars annually with which to pay their expanding payroll.

The total costs, the overhead, for all these employees and associates is roughly 25 percent of what they take in. In other words, cocaine profits after subtracting the costs are about 75 percent, a truly enviable return. Given that the retail value of a kilo of pure cocaine averages about \$15,000 a kilo in the US market, and that market consumes around 350 metric tons of cocaine per year, or 350,000 kilos of cocaine, the return is roughly \$5 billion, of which \$4 billion is pocket money. The cartels also market an unknown quantity of drugs at higher returns in Europe and a lesser amount in Latin America, giving them an annual income of between \$7-\$15 billion annually. This return is larger than the annual budgets of Colombia, Peru, and Bolivia combined, and does not include returns on investments. The profits are roughly on a scale 10 times that of what the United States spends for all international drug control efforts and interdiction combined. These figures also do not include what happens to the cocaine at the retail level.

TABLE 2. RECENT PRICES PER GRAM FOR PURE COCAINE

Price	1990	1991	1992	1993
High	\$200	\$168	\$163	\$151
Low	\$187	\$132	\$130	\$120

Source: *National Drug Control Strategy*, 1995

Increasingly the Colombians do not concern themselves with the retail trade. They have taken to subcontracting with others for that end of the business. They provide the cocaine up front, are paid up front--and payment is guaranteed--and leave the subsequent trafficking and selling of the drugs in the US to local groups, such as the Mexicans, the Jamaicans, Latino gangs, and others. At the street level, pure cocaine is cut or diluted and the total quantity thereby increases geometrically. A kilo of pure cocaine can become three, four, five, even six kilos of drug at the street level, which is then marketed to buyers in various gram sizes. Given that a cut gram may sell for as much as \$10, retail returns from cocaine to the various middlemen and sellers is in the range of \$20-\$30 billion annually. One of the groups to have profited most from this end of the business are various Mexican criminal organizations, who have grown in power and influence corresponding to their vast increase in profits.

**Marketing:** Cocaine sales in the United States were very small in the mid-1970s. In general, it was a drug confined to the elite and wealthy. Several Colombian entrepreneurs, notably Carlos Lehder, realized, however, that the fairly open system in the United States coupled with social attitudes that condoned personal drug use offered an opportunity for introducing and mass marketing a new drug to a large middle class market eager to be seen as sophisticated and chic. They and others could see that US efforts to destroy Colombian marijuana production and smuggling were increasingly successful and so they considered it a good time to explore the possibilities for shipping the less bulky cocaine. Using connections and networks built up by the marijuana trade they developed an improved system for producing cocaine in large quantities, for moving the product to the United States, and for marketing it once it arrived. They understood that one of the determinants

in developing a thriving drug business is plentiful supply. **Supply creates demand.** Given US attitudes at the time and lax law enforcement efforts, Leher and others built a multimillion dollar business before anyone became aware of the extent of the activities or the dangers inherent in large-scale cocaine use.

Success drew in others and the Medellin and Cali cartels were born. Profiting from cocaine and the success of free-basing, they moved into marketing crack, a highly addictive cocaine derivative. Crack opened up poorer, urban markets. Profits soared. As in almost every other field, the US became and remains the largest single drug market. The buying power of even poorer Americans coupled with a well-developed transportation system, thousands of miles of uncontrolled borders, and fluctuating attitudes towards effective interdiction and law enforcement make the United States an ideal target for many groups on the make.

The moral in this tale is the story of successful marketing. It does not end with cocaine. Recently, some cartel leaders, believing that the cocaine market had peaked, began to consider entering the heroin trade. Virtually overnight, these entrepreneurs created a major Colombian-based opium production capability. They encouraged farmers in remote areas of Colombia to devote large tracts of land to opium poppy cultivation. Colombia went from no hectareage devoted to opium to some 20,000-30,000 hectares, larger than all the rest of the crop in this hemisphere and the third largest grower of illicit opium--only behind Burma and Afghanistan, long-time producers--in the world. This endeavor involved attracting the growers, providing them with the necessary backing to get started, and sustaining them while they learned the intricacies of cultivation, scoring, and opium-gum storage. It involved developing the scientific expertise--by importing specialists from Southwest Asia--to produce heroin, and the transport network to move the product from remote, roadless areas of Colombia to production facilities and then to the US and other markets. All of this without having realized a dollar of profit. In typical entrepreneurial fashion, certain cartel leaders were simply investing in a new product line beating that their skills and networks, proved in other areas, would stand them in good stead in breaking into a market traditionally dominated by others. It is truly a bold experiment in venture capital.

**Risk Reduction:** As with most businesses, the cartels too are concerned with limiting their liabilities. Since they operate in marketing illegal substances, however, they exist outside the law. While this exempts them from many of the laws and regulations that affect legitimate enterprise, cartel operations are at



constant risk of exposure. This can mean loss of product and for the operatives and their bosses loss of freedom. Thus, it becomes very important to such criminal organizations to control risks as far as possible. At some point, this involves dealing with law enforcement and judicial systems. When this happens, they become targets for risk reduction strategies. Bribery, assassination, and intimidation become ready tools of the trade in order to protect operations and lower risks.

Overtime, as profits go up and operations become more extensive and vulnerable, the scope of these risk-reduction activities must also expand. In the case of the Colombians, they now number cabinet ministers, senior police and military officials, judges, newspaper editors, and opinion leaders as part of their payroll, all as part of an effort to limit the risks they run of loss and imprisonment. They have been remarkably successful in Colombia in neutralizing official interference with their activities, and they have extend these successful practices throughout the region. Mexican criminal groups, in particular, have benefited directly and indirectly from the expertise the Colombian cartels have accumulated. As these groups have prospered they too have increased their officials contacts. Although the situation in Mexico is not as advanced as that in Colombia, the Mexicans are on the same road.

For the cartels, these activities represent good, practical business sense. The results, however, are corruption, murder, economic dislocation, and social upheaval. The cartels are ruthless when it comes to protecting their interests. They have demonstrated a willingness to use any and every tactic to protect their profits. Given the scale and scope of their operations, they are now in a position to threaten the stability of Colombian and the integrity of its institutions. As Italy only too sadly demonstrates, over time such activities undermine the very essence of government and public trust in government.

**Venue Shopping:** One of the other characteristics of both illegal and legal businesses is the search for the best environments for their activities. This can be part of a marketing or a risk reduction strategy or part of an investment plan. In essence it means looking for favorable circumstances that will maximize profit opportunities while limiting risks and costs. For criminal organizations, this can mean a number things. For example, one of the biggest problems faced by such groups is how to launder their money. Since the money is the product of illegal activities, they face the problem of how to convert illegal into legal assets. Banks,

businesses, and financial institutions are favored targets, but all of these exist in legitimate environments and are subject to oversight and regulation by legal authority.

Thus, criminal groups must deal with the possibility that their assets will be discovered and confiscated. One way to reduce this risk, of course, is bribery, and it is used liberally where it will help. But a less expensive option is to search out venues where the legal environment is already friendly, where few meaningful questions are asked about where money comes from. Countries such as Panama, the Bahamas, the Dutch possessions in the Caribbean, the Cayman Islands, and increasingly Colombia and Venezuela are safe havens for money laundering. Similarly, the all but unregulated exchange houses, the *casas de cambios* in Mexico and similar informal systems elsewhere, provide easy means to disguise the origins of assets. Bank secrecy laws and lenient enforcement environments that make it easy to move money or to create false business fronts abound around the world. Thus, if enforcement in one placet becomes too vigorous it can be avoided by simply moving to a more hospitable locale. International telecommunications and banking computer networks make this even more feasible and difficult to control.

Vast financial resources give the cartels great flexibility in picking and choosing the right environment. In this fashion, they spread their activities along the lines of least resistance.

**Strategic Alliances:** Another strategy typical of businesses is to strike alliances with other businesses that have already developed a market or have an expertise lacking in the partner. This permits both groups to profit from mutually acceptable exchanges. In this fashion, the Colombian cartels, which learned that they had severe disadvantages in trying to work in Europe, struck up relationships with the Italian Mafia in order to move and market cocaine in Europe. They were thus able to move into Europe without having to develop their own networks for protection and handling. Similarly, when the cartels sought to move cocaine through Mexico--after enforcement efforts made the Bahamas and the central Caribbean too hot generally--they approached Mexican organized crime to provide the facilities. The cartels were not particularly impressed by the honesty or the competence of the Mexican groups, but they realized that it would be far less costly and risky to exploit their networks of paid officials and transportation capabilities in areas the Colombian were unfamiliar with. Thus, both sides gained in the bargain. One of the consequences today is that the Mexican criminal groups have become very

much richer, bolder, and more dangerous because of their strategic alliance with the Colombians.

The cocaine cartels have evolved from small entrepreneurial efforts of a few to become major economic empires that now employ tens of thousands of operatives. They are capable of corrupting whole governments, of challenging their ability to interfere with criminal enterprise. They now operate worldwide distribution systems and have established links with Chinese, Russian, Italian, and many other organized crime groups. They dispose of billions in assets, which they now increasingly invest in legitimate markets. It is a situation wholly unique and one that few countries have as yet fully appreciated.

#### FAILING THE CHALLENGE

**US Drug Efforts:** Although it took the United States a number of years to realize just how much damage cocaine was doing to our citizens, once the country became mobilized in the late 1980s, we made significant inroads on drug use in this country. By vigorously attacking both supply and demand we succeeded in a few short years to reduce overall drug use by 50 percent and cocaine use by almost 80 percent. In addition, we succeeded in building a international coalition to attack drug use worldwide, enlist support from leaders in Asia, Latin America, the Caribbean, and Europe. Among the leaders in this hemisphere to support our efforts were Colombia and Mexico.

Beginning with the Bush strategy in 1990, we improved our understanding of what needed to be done to deal with the drug problem internationally. In particular, we put US assets on alert to stop drugs coming to this country. We improved our intelligence collection and analysis capability of the cartels and were thus able to focus our actions more effectively. We devoted time and resources--and diplomatic muscle--to securing allies in the fight. In this hemisphere it meant building a system of interlocking radar networks; air, sea, and ground assets in the United States and in producing and transit countries; eradication programs; high-level meetings; and presidential focus.

**Table 3. Recent Interdiction and International Narcotics Budgets**

Years	1990	1991	1992	1993	1994	1996
Interdiction*	\$1.7bn	\$2bn	\$2.1bn	\$1.86bn	\$1.3bn	\$1.29bn
International ..	\$500m	\$633m	\$690m	\$538m	\$329m	\$309m
<b>TOTALS</b>	<b>\$2.2bn</b>	<b>\$2.6bn</b>	<b>\$2.8bn</b>	<b>\$2.4bn</b>	<b>\$1.6bn</b>	<b>\$1.58bn</b>

\*Represents total from all sources including DoD.

\*\*Includes total from all sources, including State and AID.

The results were impressive. Increased spending, as noted in Table 3 and Figure 1, lead to overall increases in effort. The result were increases in cocaine seizures [Figures 2-4], major Government of Colombia action against cartel operations--particularly the Medellin leadership--and a rise in domestic drug costs along with a decline in purity--although these latter did not last. In addition to these actions, there was significant progress on the diplomatic front with Colombia and Mexico but also with Bolivia and to a lesser extent with Peru. One has only to contrast the period of the late 1980s, when the drug lords like Pablo Escobar boasted in public of their power, with that of the early 1990s, when Escobar and otherw were on the run, to get a perspective on the nature of the difference in operations and successes. Along with these international returns, drug use in the United States began to decline and, more important, social attitudes about drug use began to decline as well. The comprehensive strategy of the Bush years was producing real gains and important successes. This picture began to change, however, after 1992.

The first important change was the signal that the incoming Clinton Administration began to send about its version of a counterdrug strategy. It was clear from the outset that a decision had been made to distance the president from the drug issue. One of the first things that happened, then, was the national-level leadership at the top of the administration disappeared, leaving interagency rival--which had been corralled if not broken earlier--to throw off its commitment to a coherent drug strategy. In the international arena, the change in policy became clear with the publication of the administrations drug strategy in early 1993. That document noted that the Administration intended to refocus efforts away from transit zones and interdiction and focus on programs aimed at source countries. The result,

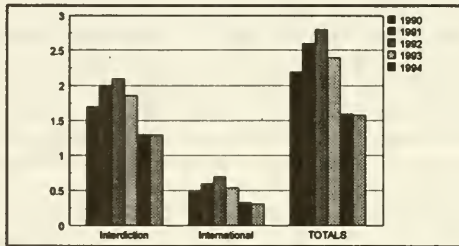


however, was to undo efforts both in the transit zone and in the source countries. By reducing funding and sending a series of mixed signals, the Administration reduced the effort against the cartels and confused our allies. As it happens they did this just as the Cali cartels were beginning to assert their influence most seriously.

The Administration began its new war on drugs by gutting the Office of National Drug Control Policy. Then it appointed Dr Elders as Surgeon General. It was not long before she began to speak about legalization, which largely went unchallenged by the president or the drug czar. Next, the new incumbent at DEA began to dismantle DEA's international program, taking apart one of the most effective efforts to target cartel kingpins. CIA efforts were down-graded or left to drift with no focus. DoD reduced its commitment to the drug effort. The State Department's international drug control program was cut. AID regional support funds declined sharply. Along with these changes, the Administration also signalled a change in approach to our allies. If cutting funding was not a clear enough signal, they then bungled the whole issue of supplying radar information to the Andean countries--a move that even the president described as "nutty"--a political fiasco that, as members of this committee noted at the time, damaged our efforts to work with those countries and that required Congressional action to sort out. If all of this reflects a strategy then it is a peculiar one. Whatever it is it is not very effective. The results are not all in yet, but the preliminary signs are not encouraging.

At home, drug use is on the rise. In particular, teenage attitudes towards drug use have undergone a shift. After years of thinking drugs were bad, attitudes among junior high and high school students are drifting back towards favoring drug use. Internationally the trends are likewise discouraging.

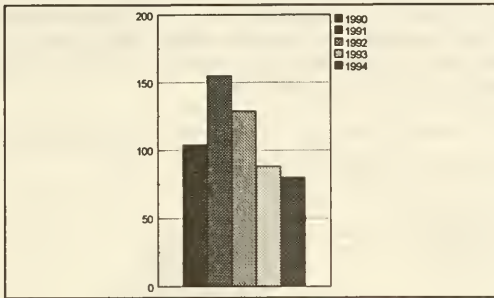
**Figure 1. Recent Interdiction and International Narcotics Control Budgets**  
[in billions of dollars]



As the most recent State Department's *International Narcotics Control Strategy Report* notes, "1994 was not a banner year for global counternarcotics cooperation and progress." As Figures 2-4 illustrate, there has been a significant drop off in cocaine seizures in this hemisphere. This is not because the cartels are producing less cocaine or hardcore addicts are using less of it. What the figures show is a decline in effort throughout the region. This decline is also coincident with sharp declines in US interdiction efforts, in funding, and in cooperation with locals. They are paralleled by declines in drug prosecutions in this country and by increases in drug use. They also reflect the distraction of local governments in Colombia and Mexico as they deal with major internal problems, many of which, in fact, have been caused by the drug traffickers themselves.

**The Empire of Cocaine:** There are two aspects to the drug problem. Both cause major difficulties but they are different in nature. The first aspect of the demand for and supply of narcotics is the damage that they do to the individuals who use them and to the societies that must then deal with the consequences of large-scale addiction.

**Figure 2. Recent Cocaine Seizures in Metric Tons**



\*Represents seizures of base and paste. Only negligible seizures of cocaine HCl, which is generally not produced in Peru.

\*\*Seizures of *agua rica*, a water/cocaine solution. No sizable seizures of cocaine HCl, which is generally not produced in Bolivia.

\*\*\*Final totals for 1994 were not available, figure is an extrapolation for seizures in the first half of the year.

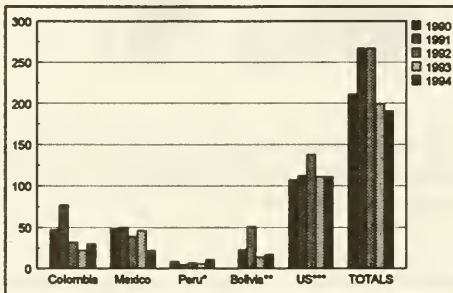
Source: INCSR and National Drug Strategy, 1995.

Being one of the largest consumers of illegal drugs, we know only too well just how devastating to individuals, families, and social life drug use can be. Other societies too have had to confront the sad consequences of widespread narcotics use. But there is a separate concern. This involves not drugs per se but the organizations that produce and traffic in them. As noted earlier, the drug cartels have become major international actors and in doing so have created a variety of problems wholly separate from the perils of drug abuse. The activities of the criminal organizations that have grown rich from drug trafficking are now a major national security concern for the nations of this hemisphere and must be dealt with.

The images that first emerged of the power of the cocaine cartels were of Pablo Escobar and his henchman seeking to ride roughshod over Colombia, going so far as to declare war on the government. That war cost Colombia dearly in lives lost and in the damage to its international image. But, the determination of Colombia's leaders not to be intimidated by Escobar and his thugs proved that with courage and effort the drug lords could be beaten. Winning the struggle against Escobar,

however, seemed to have exhausted the people and government of Colombia. Unfortunately, this war weariness set in before the job was finished. Even as the government dismantled the Medellin Cartel, the other major cartel, based in Cali, laid its plans to survive the struggle and to undermine the resolve of the government to carry on the effort to bring the major trafficking organizations to heel. Using their vast resources and keeping a low profile while Escobar dominated world attention, the Cali Cartel quietly insinuated itself into the fabric of Colombian economic, social, and political life.

**Figure 3. Total Seizures of Cocaine in Metric Tons**



Source: INCSR, *National Drug Strategy*, 1995.

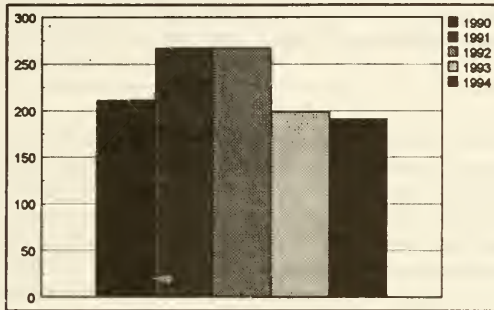
Already controlling various congressmen, police and military leaders, judges, and opinion leaders through the liberal use of bribery, they expanded their efforts to influence the political process in Colombia. Even though they were locked in a war with Medellin and Escobar themselves.

The principal strategy at this time, in 1991 and 1992, was to influence the outcome of the rewriting of the Colombian constitution. The main aim was to get the Constituent Assembly to outlaw extradition, the main concern of the drug lords. Medellin and Cali pooled their efforts to buy delegates to the constitutional assembly and waged a highly effective press campaign to paint the extradition



question as an issue of national sovereignty. It was very successful and the new Colombian constitution forbade extradition. This success inserted the cartels into the political process in a big way. Although they had always tried to influence local affairs and had maintained relationships with various political leaders, particularly in the Liberal Party, they had never waged a major national campaign to influence the fundamental political framework of the country. Their success on the extradition question was an important watershed.

Figure 4. Non-US Seizures of Cocaine in Metric Tons



Source: INCSR and National Drug Strategy, 1993

In addition to this success, the Cali cartel used Escobar's troubles to their advantage. They provided information to the government to help track Escobar down. This earned them points with the police and the military. They also presented themselves to the government as willing to negotiate a surrender, thus giving the government an incentive to let up on the campaign to destroy them. This so-called plea bargain agreement is at best a guilt laundering exercise benefiting the cartel leaders. At worst it is a Colombian government capitulation. In either case, the cartels, using the favorable climate of negotiations, invested heavily in congressional elections and in the 1994 presidential campaign as a means to reinforce their influence on the political process--a risk management strategy.

In another major change, capitalizing on changes in Colombian banking laws, they began to invest large sums of money directly in the Colombian economy. In the last several years, they have acquired major if not controlling interests in the cut flower industry, in major banks, in the oil industry, and in many other areas of economic life. This investment has helped spawn a boom in development in Colombia, particularly in Bogota and other major cities. Using these and other tactics, the Cali cartel has successfully insinuated itself into almost every aspect of Colombian life, with sad consequences for the country and the region.

All of these activities by the cartel plus public weariness over the struggle with Escobar meant that in the last year of the Gaviria government, Colombian drug efforts fell off sharply. Contacts with the Samper government have continued this trend. Thus, cocaine seizures are down, there have been virtually no notable prosecutions for official corruption, large shipments of cocaine move north, the drug lords have enjoyed a moratorium on prosecution, and business is good.

As serious as these facts are, the penetration of Colombian society by the cartels threatens the very political and economic life of that beset country. As we can see in the Italian situation, when criminal groups are left to work their intentions on the political and social life of a country, they can undermine the essence of social trust and institutional integrity. More is at stake in Colombia than just the traffic in drugs. The hopes for democracy and development in Colombia and the region are at risk. This is why a blind eye to the telescope on events in Colombia is a serious mistake.

It is in this climate that the Clinton Administration's reversal or major downsizing of US international counternarcotics programs has come into its own. Although it made the rhetorical argument that it was reducing efforts in the transit zone to concentrate on the producing countries, the last two years have seen a diminution of US effort and a series of mixed signals in these very countries. It has also not held the Colombians to sufficient account for their lack of serious effort in dealing with drug trafficking. The recent decertification-light of Colombia by the Administration is a reflection of its lack of coherent strategy or willingness to hold other countries to tough standards even when the signs of trouble are clear. It has been an unfortunate convergence.

**The Unravelling of Mexico?** The troubles in Colombia do not end there. Cartel influence has penetrated many other countries in the region. Their activities in

building their business empire in the Andes have already been noted. But they have also carried their ideas of violence and corruption to countries in the transit zone. They have established a significant presence in Guatemala and in the Caribbean. The jewel in the crown of trafficking, however, is Mexico. More than 70 percent of the cocaine reaching the United States transits Mexico. This reality, as with the whole story of the growth of the criminal networks of drugs, has consequences that go well beyond drugs themselves.

Mexico has long been an exported of drugs to the United States, particularly marijuana and heroin. Trafficking organizations have existed in Mexico for many years, moving these drugs across the border and resorting to local intimidation and bribery to protect their investments and activities. Although these operations netted traffickers considerable incomes, they were not world-class criminal entrepreneurs. Enter the Colombians.

The Colombians turned to Mexico as a transit zone when US law enforcement efforts proved effective in stopping air smuggling directly into the US and the Bahamas. Ever flexible, the Colombians turned to developing alternate routes. This brought them to Mexico, which, as one of the organizers of the effort noted, had the advantage of not being an island. They established contacts with local Mexican groups who became the middlemen, organizing the landing zones and increasingly the further movement of the drugs northward. In just a few short years, the incredible sums of money associated with America's drug habits made these Mexican groups fabulously wealthy. Their activities, however, attracted the attention of the United States and the Mexican government who began to step up interdiction operations. These proved increasingly effective, although they were not nearly enough to deal with the cartel effort.

Unfortunately for Mexico, the increased efforts also meant that the cartels and the Mexican criminal groups resorted to large-scale intimidation and bribery, bringing to Mexico patterns of activities that had proved successful in neutralizing much of Colombia's counterdrug effort. Thus kidnapping and murder, extortion and bribery, always present, reached new heights as the Mexican gangs used their increasing financial clout to bribe or intimidate Mexican officials. They were aided in this by the years of economic uncertainty that had troubled Mexico and by certain traditional aspects that found a place in Mexican society for "friendly" corruption. Exploiting these vulnerabilities, the cartels and the Mexican gangs were able to penetrate the police and military, to bribe judges and politicians, and to corrupt

business leaders. In a familiar pattern, the criminal gangs wormed their way into the heart of economic and political life.

Fortunately for Mexico, the process has not gone as far as it has in Colombia. Indeed, part of the confusion and upheaval in Mexico today is the result of the determination of Mexico's leaders to fight back. They recognize that for Mexico to become a truly modern state and respected player in international markets that they must clean up their act. This means rooting out corruption and the influence of criminal gangs. It is, however, as we can see, a bitter, violent, and disruptive undertaking, with uncertain consequences. Failure to take this step, though, will mean that Mexico will increasingly find itself in Colombia's situation--its institutions thoroughly compromised, its leadership suspect, its economy addicted to illegal income, its people demoralized, and its future clouded.

#### NEXT STEPS

Having outlined the problem, let me indicate some of the things that I believe that we can do to deal with the present situation. None of these are easy steps, especially since some of them require money at a time when money is the one thing not to ask for. Part of what is involved, however, is political will. Not just that of Colombia or Mexico but our own. After two-and-half years of virtual inactivity on the international drug front and confused and confusing efforts at home, we also face a difficult task of rebuilding lost capabilities and recovering squandered assets. We face the daunting task of rediscovering our purpose.

My first recommendation is easy. It involves no money--at least not directly. It is this: we must recognize that we have been misled by the terminology that we have used to describe our counterdrug programs. As compelling as the image of a "War on Drugs" is, as useful as it is as a rhetorical device, it creates a false impression. It suggests that we are in a struggle with a foe who once is engaged and beaten is vanquished ever after. This is simply not the case. We are dealing with two of the most powerful of human motives: the desire for altered states of consciousness, and the desire to make a profit. Whether we like it or not, drug use and drug trafficking at some level are inevitable. If we hype ourselves up on images of victory parades and end states, we misled ourselves badly as to the nature of the problem we confront. As in dealing with other aspects of our natures for which there are no conclusive end states--say in hopes of ending murder, or



child abuse, or rape--we cannot escape an on-going responsibility to deal with a problem that will persist but it grows from our nature. Thus, we must commit ourselves to on-going efforts. There are no fire-and-forget solutions, easy ways out.

Recognizing this, we must have continuing commitment from our political and moral leaders on the drug issue so that a clear and certain public message is sent that drug use is bad and it has consequences you won't like. In particular, this means the engagement of the president of the United States, directly and often, visibly and vocally. It means a drug czar that is not invisible. Although Nancy Reagan took a great deal of abuse for her Just Say No efforts, they, along with comprehensive programs and presidential commitment made a difference. Of all the social pathologies with which we have had to cope in the last 30 years, our efforts on drugs were among the most successful. We need to recapture that effort. This involve moral leadership.

Third, we must begin to restore funding to our international programs and to interdiction. This means re-engaging the Department of Defense in a meaningful way in supporting law enforcement efforts. It also means recommitting the Coast Guard, Customs, and DEA, all of whom have suffered significant reductions, particularly in their international drug efforts. It also means restoring the State Department's international narcotics budget to levels commensurate with a strategy to re-engage regional states in a meaningful effort.

Fourth, we must revitalize our international diplomatic efforts. We can begin this by decertifying Colombia. I make this recommendation reluctantly, but the situation in Colombia can hardly be worse and it will only get worse if we and international community do not signal the Government of Colombia and its people that they are in grave danger. As conditions for recertification, at a minimum, Colombia must take more active steps to meaninfully prosecute major drug traffickers; they must root out corruption in the police and the military; they must end cartel influence among air traffic controllers. They must takes steps to destroy major producing sites; they must more actively eradicat coca and opium; and they must support international efforts in the region to disrupt drug trafficking.

Fifth, we must recover out efforts in the transit countries, particular Mexico, to give the cartels no free rides.

- 20 -

Sixth, we must work to develop an international convention on organized crime. It is not enough to attack drugs, we must go after the organizations that produce and traffic in them. They have become major national security threats in many parts of the world and it is only through a major international effort, led by the United States, that can hope to build the effort to neutralize them.

Finally, we must continue our efforts to build the intelligence network that must underlie all our efforts to interdict drugs and disrupt criminal organizations.

Many of these approaches are not new but we need less innovation and more consistency. Perseverance and fortitude are our best allies in dealing with the challenge of drug abuse and trafficking.

**TESTIMONY BY JOHN P. WALTERS\***  
**PRESIDENT OF THE NEW CITIZENSHIP PROJECT AND**  
**FORMER ACTING DIRECTOR AND**  
**DEPUTY DIRECTOR FOR SUPPLY REDUCTION,**  
**OFFICE OF NATIONAL DRUG CONTROL POLICY**

**BEFORE THE SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS**  
**OF THE**  
**COMMITTEE ON INTERNATIONAL RELATIONS,**  
**UNITED STATES HOUSE OF REPRESENTATIVES**  
**MARCH 29, 1995**

Mr. Chairman and Members of the Committee:

**INTRODUCTION**

Between 1977 and 1992 illegal drug use went from fashionable and liberating to unfashionable and stupid. Overall, casual drug use by Americans dropped by more than half. Between 1985 and 1992 alone, monthly cocaine use declined by 78 percent. A 50-80 percent reduction in a similar social problem (the dropout rate, illegitimacy, the spread of HIV, or the rate of violent crime) would be considered a major domestic policy success -- that is what happened with illegal drug use in the U.S.

When President Clinton took office the problem of illegal drugs had undergone a sea change in just a little more than a decade. Instead of directing measured steps to address the residual aspects of the drug problem, Clinton Administration officials immediately began undermining existing anti-drug efforts on almost all fronts:

- During the first half of the Clinton presidency, the morally serious and tough-minded anti-drug policies of the Reagan and Bush years have been replaced with such Clinton-era messages as the President's infamous "I didn't inhale" comment and the former Surgeon General's repeated calls to study the legalization of drugs.<sup>1</sup>
- Just days after the inauguration President Clinton moved the White House office created to direct national anti-drug -- the Office of National Drug Control Policy (ONDCP) -- efforts to a backwater, and slashed its personnel

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\*This testimony draws heavily on "How the Clinton Administration is Abandoning the War Against Drugs," published by the Heritage Foundation, a four-part series on the drug problem, co-authored by William J. Bennett and published in *The Washington Times* (February 7-10, 1995), and my testimony before the Senate Judiciary Committee, February 10, 1995.

<sup>1</sup>See: Reuter, "Elders Reiterates Her Support For Study of Drug Legalization," *The Washington Post* (January 15, 1994), A8.

by over 80 percent.<sup>2</sup> To this day, the Clinton Administration has not even nominated an individual to serve as deputy director for supply reduction – the position responsible for managing the formation, implementation, and evaluation of policy for law enforcement, interdiction, intelligence, and international programs.

- Enforcement has been de-emphasized and Attorney General Reno has decried the harshness of federal mandatory minimum prison terms for drug crimes, complaining that too many dealers are in prison.<sup>3</sup> Preliminary prosecution statistics from the Administrative Office of the U.S. Courts for 1992-1994, reveal: **a 14 percent drop in charges under all federal drug laws** (25,283 in 1992 and 21,730 in 1994); **a 30 percent drop in charges under narcotics offenses** specifically (14,934 in 1992 and 10,407 in 1994); and **a 19 percent drop in marijuana offenses** (6,813 in 1992 and 5,508 in 1994).<sup>4</sup>
- Over the past two years, the Administration has slashed drug interdiction.<sup>5</sup> Information provided at a Senate Judiciary Committee hearing last month reported **a cut of 50 percent between 1993 and 1994 alone in the ships and aircraft devoted to the interdiction of drugs from South America.** In a December 1, 1994 letter to Lee Brown, the Clinton Administration appointed United States Interdiction Coordinator warned of the “need to restore assets to the interdiction force structure.”<sup>6</sup> He reported that the heads of all the federal agencies involved in drug interdiction had reached a consensus “that, to maintain adequate resources in theater, we must return to the 1992-93 levels of effort.” But shortly after that warning, the Clinton Administration released its FY 1996 budget requesting a cut in interdiction funds to \$1.278 billion – almost 35 percent below the FY 1992 level.

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<sup>2</sup> On February 9, 1993 the White House announced that ONDCP would be cut from 146 staff members to 25. For more detail on drug czarism under the Clinton Administration see: Byron York, “Clinton’s Phony Drug War,” *The American Spectator* (February, 1994), 40-44.

<sup>3</sup> See: Michael Isikoff, “Reno Has Yet to Make Mark on Crime,” *The Washington Post* (November 26, 1993), A1, A10, and A11. For a thorough analysis – and refutation – of the Clinton Administration claim that the prison population contains an excessive number of non-violent or “low-level” drug offenders see: Richard K. Willard and Shannen W. Coffin, “Prison Capacity and ‘Low-Level’ Drug Offenders,” Working Paper Series No. 60, Washington Legal Foundation, February, 1995.

<sup>4</sup> Data presented at a March 23, 1995 hearing before the Subcommittee on Crime of the House Judiciary Committee.

<sup>5</sup> From \$1.960 billion in FY 1992 to \$1.293 billion in FY 1995 in current dollars (ONDCP, *National Drug Control Strategy: Budget Summary*, February, 1995, 235).

<sup>6</sup> December 1, 1994 letter inserted in the record of a March 9, 1995 hearing before the Subcommittee on National Security, International Affairs, and Criminal Justice of the House Committee on Government Reform and Oversight.



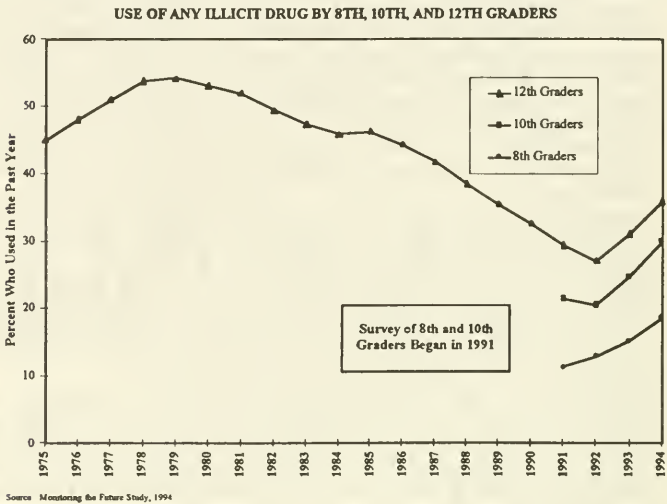
- Offering enforcement assistance to -- and if that did not work, sanctioning -- foreign countries where cocaine and other drugs are produced and shipped to the U.S. has ceased to be a foreign policy priority.<sup>7</sup>
- At the beginning of May, 1994, the Clinton Administration suspended the sharing of radar information with Colombia and Peru. This information was crucial to the interdiction of drug trafficker flights. In a memorandum signed July 14, 1994, the Assistant Attorney General for the Office of Legal Counsel at the Justice Department provided a legal opinion to justify the action that claimed the sharing arrangement could make the U.S. and U.S. personnel liable for damages and loss of life and criminally liable under the Aircraft Sabotage Act of 1984. This decision was widely criticized and even President Clinton was reported to have referred to it as "nutty." But the sharing was discontinued until December of last year, when Congress passed legislation to place the issue of such liability beyond question.
- On January 10, 1995, *The New York Times* carried a front page story, "Tons of Cocaine Reaching Mexico in Old Jets." It detailed the traffickers use of Boeing 727's and French-made Caravelle jets to fly six tons or more of cocaine in each flight from Colombia to Mexico. The article quoted American officials as saying "the flights could not possibly take off from airports in Colombia . . . without the assent or aid of the local authorities." According to this report, U.S. protests "have been all but ignored by the Government of [Colombian] President Ernesto Samper."<sup>8</sup>
- On February 13, 1995, *The Los Angeles Times* reported: "The amount of cocaine seized from Mexican trucks and cargo at the border plummeted last year, as U.S. Customs officials pressed on with a program to promote trade by letting most commercial cargo pass into this country without inspection. **Not a single pound of cocaine was confiscated from more than 2 million trucks that passed through three of the busiest entry points along the Southwest border where federal officials say most of the drug enters the country.**"<sup>9</sup>
- On March 1, 1995, the President reported to Congress that the three primary cocaine producing countries -- Colombia, Peru, and Bolivia -- were no longer cooperating with the U.S. on anti-drug efforts in a manner sufficient to avoid sanctions under U.S. law. The President blocked the application of sanctions, however, by granting each country a waiver on the grounds that American national interests would otherwise be harmed.

<sup>7</sup>The Administration accepted a 53 percent cut (from \$660.4 million in FY 1992 to \$309.9 million in FY 1995) in resources to attack the cocaine trade in the source and transit countries of South America. ONDCP, *National Drug Control Strategy: Budget Summary* (February, 1995), 235.

<sup>8</sup>*The New York Times*, January 10, 1995, A1 and A8.

<sup>9</sup>H.G. Reza, "Border Inspections Eased and Drug Seizures Plunge," *The Los Angeles Times*, February 13, 1995. Emphasis added. An NBC "Dateline" report by Fred Francis, February 24, 1995/9:00-10:00 PM, focused on the same problem.

The results of the Administration's indifference and mismanagement should alarm all Americans. Last December, the University of Michigan announced that drug use — particularly marijuana use — by 8th, 10th, and 12th-graders rose sharply in 1994, as it did in 1993, after virtually a decade of steady decline.

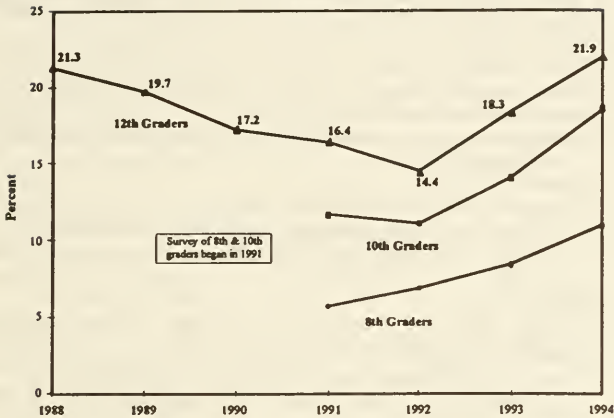


The study also revealed that student attitudes were becoming significantly less hostile toward illegal drug use, indicating further increases in use are almost certain in the coming year.<sup>10</sup>

In the category of current drug use — high school students reporting drug use at least once in the month they were surveyed — **the past two years of the Clinton Administration have more than reversed the entire gain of the entire four years of declines during the Bush Administration.**

<sup>10</sup>Press Release by The University of Michigan's Institute for Social Research on the "Monitoring the Future Study" (also known as the National High School Senior Survey — HSS) for 1994 (December 8, 1994) for 1993 (January 31, 1994).

**CURRENT (PAST MONTH) DRUG USE BY EIGHTH, TENTH, AND TWELFTH GRADERS**



In response to these results, the Center on Addiction and Substance Abuse at Columbia University warned that, "If historical trends continue, the jump in marijuana use among America's children (age 12-18) from 1992 to 1994 signals that 820,000 more of these children will try cocaine in their lifetime. Of that number, about 58,000 will become regular cocaine users and addicts."

With the release of the survey of high school students the Administration also reported that drug-related emergency-room cases – dominated by aging, inner-city drug addicts – have reached the highest levels ever, in reporting going back to 1978. Cocaine, heroin, and marijuana cases all increased sharply to record levels.<sup>11</sup>

A Clinton Administration study entitled, "Pulse Check: National Trends in Drug Abuse," also published last December, reported the following:

<sup>11</sup>The data cited below is from: Office of Applied Studies, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, "Preliminary Estimates From the Drug Abuse Warning Network: 1993 Preliminary Estimates of Drug-Related Emergency Room Episodes," (Advance Report Number 8, December, 1994), 70.

### Heroin

- More teenagers and young adults nationwide are using heroin, and some are also shifting to injecting as a primary route of administration.
- More middle and upper-class people are using heroin
- More people are inhaling or smoking heroin. And inhaling is still much more common than smoking.
- Many more people are seeking treatment for heroin than was the case last year.

### Cocaine

- Cocaine use is stable but at a high level.
- Cocaine is being used by people of all ages and ethnicities.
- More people continue to seek treatment for cocaine use than for any other illicit drug.

### Marijuana

- Children as young as 11 years old are using marijuana, and more teenagers are using it.
- More people of all ages and ethnicities are using marijuana.
- Many people are seeking treatment for marijuana, in some areas more than for heroin.<sup>12</sup>

In its "National Drug Control Strategy," released in February, the Clinton Administration notes that heroin, cocaine, and marijuana are now available at lower prices and higher purities than at any time in recent years.<sup>13</sup> And on March 1st, the Administration announced that Peru, Bolivia, and Colombia – the three largest drug producing countries in this hemisphere are no longer "fully cooperating" with the U.S. in anti-drug efforts.<sup>14</sup>

Put another way: *if these trends continue, by 1996, the Clinton Administration will have presided over the greatest increase in drug use and the largest expansion in the supply of illegal drugs in modern American history.* And this will have occurred after a reduction of overall drug use of more than 50 percent between 1979 (the peak) and 1992, and a reduction of almost 80 percent in cocaine use between 1985 (the peak for cocaine) and 1992.

President Clinton has shown little concern about the carnage drugs cause. Where violent street crime once seemed to be fed largely by battles between cocaine and crack dealers, drug testing of urban arrestees reveals

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<sup>12</sup>ONDCP, "Pulse Check: National Trends in Drug Abuse," December, 1994, 5, 8, and 10.

<sup>13</sup>National Drug Control Strategy, 1995, pp. 45-48, and 146 (Table B-16).

<sup>14</sup>Presidential Determination No. 95-15, February 28, 1995.



most of them are drug users and under the influence of drugs when they commit a wide array of violent crimes.<sup>15</sup>

Drug use is also a major contributing factor to child abuse. Last April, *Newsweek* magazine published a long article on child abuse. It reported what those working in the field have known for years: "Drugs now suffuse 80 percent of the caseload; sexual and physical assaults that once taxed the imagination are now common."<sup>16</sup> In the same month, *The New York Times Magazine* ran a cover story which profiled a group of homeless, street people in New York City. All the individuals featured in the article were drug addicts.<sup>17</sup> Whether it is violent crime, child abuse, homelessness, or inner-city poverty, drugs – and in particular crack cocaine – have made those social pathologies far more acute and in some places, unmanageable. While there are other factors contributing to these pathologies, it is crack that sustains the violence that is ripping apart large segments of American society.

Two myths present serious obstacles to reducing such drug use. First is the mantra that the root causes of drug use are poverty, racism, and "low self-esteem." And second is the more general view that therapy by a team of counselors, physicians and specialists is the only effective way to reduce drug use. At their core these myths deny individual responsibility and assume that drug use is not the product of an individual's decision, and that decisions are somehow made in a vacuum where things like fear of getting caught, public disgrace, and punishment are never considerations. This attitude is precisely what got us in trouble in the first place. Reversing the new drug epidemic, and finishing the job of the Reagan and Bush years, requires restoring common sense about the drug problem and a recognition of the primary importance of the things contemporary liberalism has sought to discredit: enforcement, individual responsibility, and reducing the supply of drugs on our streets.

Drug enforcement and individual responsibility are important because drug use can be intensely pleasurable. The desire for drugs must be countered by certain moral precepts: drug use is wrong and those who use and traffic in illegal drugs deserve to be punished. A responsible community teaches these things by what those in positions of authority – parents, religious leaders, teachers, friends, employers, and political officials – say about drugs and how they act toward drug use and sale. If those in authority do not address the issue seriously, they teach that drug use is not a serious matter. And if they say drug use is intolerable but fail to act effectively to stop and punish those

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<sup>15</sup>The latest national data on drug use by arrestees is contained in: National Institute of Justice, "Drug Use Forecasting, 1993, Annual Report on Adult Arrestees: Drugs and Crime in America's Cities," November, 1994 and National Institute of Justice, "Drug Use Forecasting, 1993, Annual Report on Juvenile Arrestees/Detainees: Drugs and Crime in America's Cities," November, 1994.

<sup>16</sup>*Newsweek*, April 25, 1994, 56.

<sup>17</sup>Nicholas Dawidoff, "To Give or Not to Give: Inside the world of beggars who cajole, amuse, shame – and threaten – their way to \$100 a day and more," *The New York Times Magazine*, April 24, 1994, 36-41 and 50-51.

who sell and use drugs, their actions convey a much more powerful lesson than their words.

Reducing the supply of drugs is important because drug use — whether by non-addicts or addicts — is fueled by the desire to use and by the ease with which those who want drugs can obtain them. A nation that permits wide availability of dangerous drugs is sending its citizens, particularly its youngest citizens, an unwitting message: we are indifferent to drug use. The harsh reality is that drug use begins with experimentation, with a substantial portion escalating to addiction, which often ends in death. A free, democratic society ought to display a special intolerance for those things that destroy people's virtue and eventually, destroy people's lives.

There are some who believe the drug war is unwinnable. They argue that the federal government has spent enormous sums of money to no effect and they assert that the drug trade is too rich and too powerful to be defeated. This is the "big lie" about the drug problem, and it is demonstrably false. The success of the 1980's gives witness to the lie.

First, the energy and resources devoted to the anti-drug effort during the last two Administrations, combined with hardening public attitudes, produced dramatic declines in the drug problem. No other contemporary social pathology has declined by between 50-80 percent. And as a detailed study of responses to the National Household Survey on Drug Abuse found: "Regardless of the time (be it the 1970's, 80's, or 90's), respondents who have not tried a drug by the time they reach their mid-twenties are unlikely to ever do so."<sup>18</sup> The drug war was a huge domestic policy success that some have simply denied and are now dismantling.

Second, while federal spending on the drug war was substantial, it only approached \$12 billion at the end of the Bush years. At no time did such spending exceed federal spending for, say, NASA. The point here is that neither the space program nor the federal anti-drug effort ever represented a serious burden in terms of the federal budget. And busting the budget today is not required either. In fact, for the President to devote only a modicum of his valuable time, seriously, to the drug issue can make a significant difference.

Finally, there is no question that the drug trade has created some very wealthy and powerful criminals here and abroad. But they are not invincible. They corrupt and terrorize third-world countries and inner-city communities, largely because they are not seriously challenged. In 1989, Pablo Escobar was the well-known king of the Medellin Cartel, the seemingly unconquerable "King of Cocaine." A year later he was on the run. Eventually, even the corruption-plagued Colombian government was able to hunt him down and destroy the Medellin Cartel in the process.

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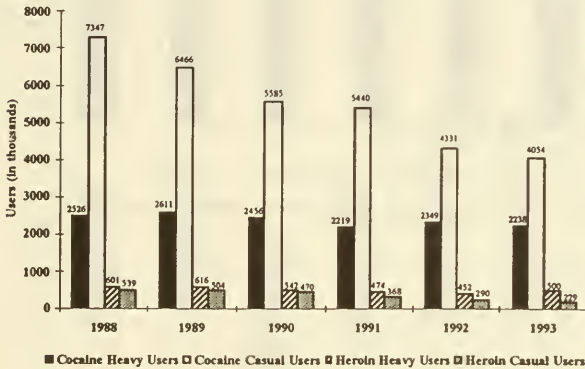
<sup>18</sup>Christine Smith and William Rhodes, "Drug Use by Age Cohorts Over Time," Abt Associates, Inc. (unpublished, quoted draft, August 11, 1992), 3. This is one of several contracted studies done for ONDCP. Some, like this one, have not been released by ONDCP, but the office now wants them to be available to interested individuals.

Our drug problem will continue to get worse until we once again pursue responsible, intelligent, and tough-minded policies. We have the means, it is simply a matter of whether we have the will. Consider this question: what would be the national response if a foreign-produced poison was contributing to the large-scale killing of white children in Chevy Chase, or Scarsdale, or Scottsdale? Would we have long debates about "root causes" – or would we do whatever it took to close open-air drug markets, put an end to the killing, and stop the poison from reaching our children? We all know the answer to this question. It's time federal policy showed the same kind of concern for poor black inner city residents as it does for residents of upper middle class white neighborhoods.

#### THE ADDICTED AND THE RECORD OF THE DRUG TREATMENT SYSTEM

The most obvious casualties of the fad of drug use in the 1960's, 70's, and 80's are today's drug addicts. The chart below reveals that the while the drop in casual cocaine use in particular has been rapid – and thus the source of potential new addicts has been curtailed – the heavy, addicted cocaine and heroin user populations remained roughly the same size.<sup>19</sup>

ESTIMATED NUMBER OF HEAVY AND CASUAL USERS OF COCAINE AND HEROIN, 1988-1993

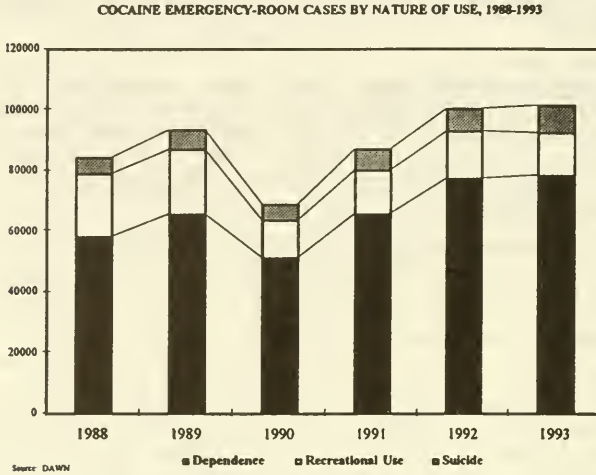


The demographics of the cocaine addicted population are difficult to specify with precision, but one useful indicator is the network of hospital emergency rooms that report cases involving drug. The Drug Abuse Warning

<sup>19</sup>ONDCP, *National Drug Control Strategy: Strengthening Communities' Response to Drugs and Crime*, February, 1995, 139 (Table B-4).

Network (DAWN) is managed by the U.S. Department of Health and Human Services. Data from hospitals throughout the nation are compiled on a quarterly basis and annual summaries are also made, presenting a statistically representative picture of emergency room cases for the nation as a whole.

The DAWN reports reveal that more and more emergency room cocaine cases are related to addictive use.<sup>20</sup>

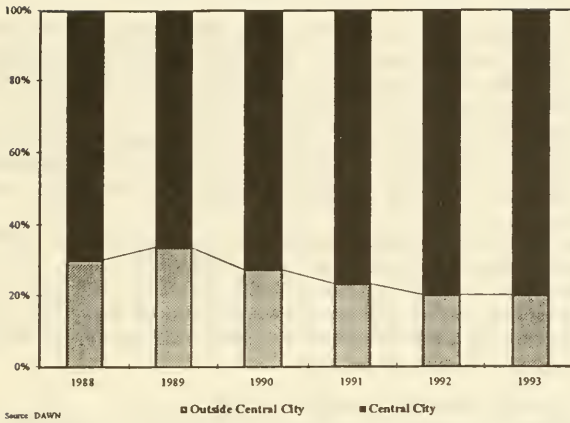


These cases are also increasingly focused in the nation's central cities.

<sup>20</sup>The data cited below is from: Office of Applied Studies, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, "Preliminary Estimates From the Drug Abuse Warning Network: 1993 Preliminary Estimates of Drug-Related Emergency Room Episodes," (Advance Report Number 8, December, 1994), 70.



COCAINE EMERGENCY-ROOM CASES BY LOCATION, 1988-93



And the population entering emergency rooms for cocaine-related problems is aging. Finally, the DAWN data reveal that cocaine-related emergency room cases are become more and more concentrated among black Americans.

COCAINE EMERGENCY-ROOM CASES BY RACE, 1988-1993



Similar demographic trends are also reflected in the data on heroin emergency room cases.<sup>21</sup>

Heavy cocaine and heroin users also tend to use a variety of other drugs (marijuana, heroin, sedatives, and others) and alcohol.<sup>22</sup> Both heavy cocaine and heroin users are predominantly male, unmarried (most never married), and most commit crimes and are frequently involved in the criminal justice system. They commit crimes — including selling drugs — as a means of income to purchase drugs. But heavy cocaine users in particular, also commit crimes as a result of "the effects of the drug itself (they become disinhibited and commit crimes), or because of a life-style choice (they participate in both drug use and criminal activity)."<sup>23</sup>

In one of the more intensive studies of heroin addicts, the Clinton Administration's Office of National Drug Control Policy reported: "... more users initiated heroin use in 1968, 1969, and 1970 than in any other years. ... twenty-five years after the last one, we are still suffering its effects."<sup>24</sup> This study also reported that "public assistance is a major — and perhaps the single largest — source of income for heroin users."<sup>25</sup>

### ***Feeding Waste in the Drug Treatment Bureaucracy***

The Clinton Administration has called for a reorientation of national drug control efforts focusing on treating hardcore addicts. There are some very fine drug treatment programs,<sup>26</sup> but the government treatment bureaucracy is manifestly ineffective. The Clinton Administration's claim that it will improve the drug problem by increasing treatment slots for hardcore addicts is hard to believe in light of the budget and data tables provided at the end of its own drug strategy last year.<sup>27</sup>

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<sup>21</sup>*Ibid.*, 70.

<sup>22</sup>"Characteristics of Heavy Cocaine Users," 7 and David Boyum and Ann Marie Rochleau, "Heroin Users in New York, Chicago, and San Diego," Office of National Drug Control Policy, November, 1994, 5.

<sup>23</sup>"Characteristics of Heavy Cocaine Users," 10.

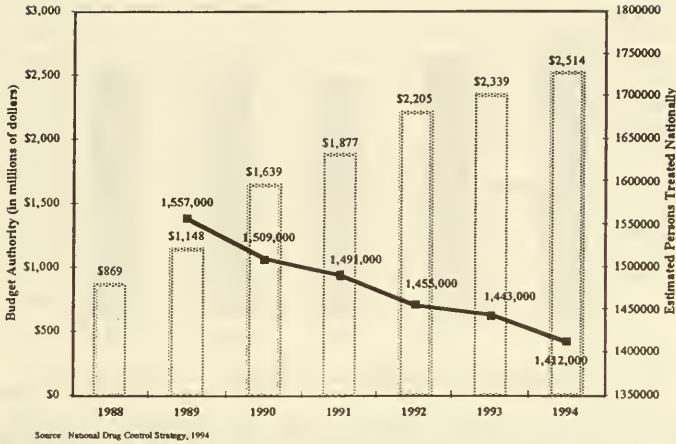
<sup>24</sup>"Heroin Users in New York, Chicago, and San Diego," 5.

<sup>25</sup>*Ibid.*

<sup>26</sup>For a thorough discussion of drug treatment and the elements of effective treatment programs see: ONDCP, "Understanding Drug Treatment."

<sup>27</sup>Treatment funding from: *National Drug Control Strategy, Budget Summary*, 187. Estimated treatment capacity from: *National Drug Control Strategy (1994)*, 103, table B-8.

## FEDERAL DRUG TREATMENT SPENDING AND PERSONS TREATED



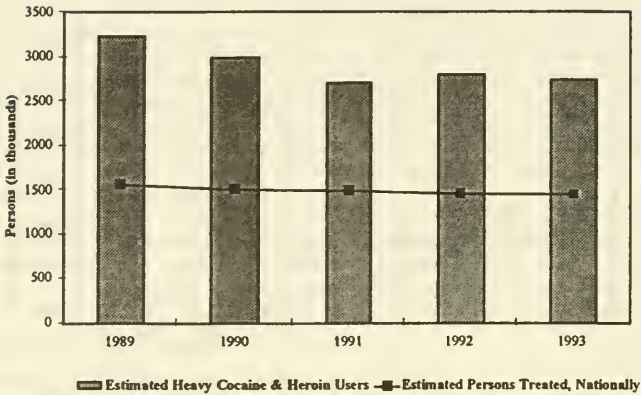
Although federal drug treatment spending almost tripled between FY 88 and FY 94, the number of treatment slots remained virtually unchanged and the estimated number of persons treated declined – from 1,557,000 in 1989 to 1,412,000 in 1994.<sup>28</sup>

Nonetheless, existing treatment capacity, measured in terms of persons served per year, is equivalent to more half the total estimated number of cocaine and heroin addicts.<sup>29</sup>

<sup>28</sup>Some advocates of greater federal treatment spending have asserted that while the federal government increased drug treatment spending, state and local governments cut such spending. There is no evidence to support this claim for treatment spending nationally. In fact, a study released by ONDCP last year, done by the U.S. Census Bureau, found that spending by state and local governments on all aspects of anti-drug programming increased between 1990 and 1991 (the two years measured) – and treatment spending (under the category health and hospitals) increased 28.1 percent for state governments and 25.2 percent for local governments between 1990 and 1991. See: ONDCP, *State and Local Spending on Drug Control Activities: Report from the National Survey of State & Local Governments* (October, 1993), 5. By the way (see: page 18), Arkansas ranked 48 out of 50 in 1990 and 49 out of 50 in 1991 in per capita anti-drug spending (prevention, treatment, and enforcement).

<sup>29</sup>National Drug Control Strategy, 1995, 139 (table B-4), 143 (table B-9).

**ESTIMATED HEAVY COCAINE & HEROIN USERS AND ESTIMATED PERSONS RECEIVING DRUG TREATMENT NATIONALLY**



So, it is important to ask, bureaucratic waste and inefficiencies within the treatment system aside, **why hasn't the system reduced the number of addicts?**

Most addicts have been through treatment more than once. The harsh fact is that drug addicts like using drugs (even though most of them also dislike some aspects and consequences of their drug use). They sometimes admit themselves to treatment programs, not to stop using drugs, but to regain greater control over their drug use. But the overwhelming majority of the addicts entering treatment with the goal of ending their use are coerced to do so by the courts, family members, or an employer.<sup>30</sup>

A substantial number of addicts have been through many treatment programs. Some of those programs are simply not effective, but there are insufficient structures monitoring performance to force them out of business. Sometimes addicts and programs are not matched properly.<sup>31</sup> When the

<sup>30</sup>The criminal justice system is probably the single greatest cause of addicts entering treatment today. "Drug courts," and so-called "diversion programs," give less violent addicts a choice of entering and completing treatment or going to jail for an extended period. Former Washington, D.C. mayor, Marion Barry, may be the most well-known example of this practice.

<sup>31</sup>In remarks before "The 1993 National Summit on U.S. Drug Policy" (May 7, 1993), Dr. Mitchell S. Rosenthal, president of Phoenix House and one of the nation's foremost drug treatment authorities, noted that what he called "disordered drug abusers" (others might call them "hardcore addicts") require long-term, drug-free, residential treatment. This means 18 to 24 months of treatment within a therapeutic community. There are only an estimated 11,000 such slots nationwide and they cost an estimated \$17,000 to \$22,000 per year (Mitchell S. Rosenthal, "Asking the Right Questions About



cocaine epidemic started there were many unused heroin treatment slots, but not enough slots for those needing treatment tailored for cocaine addiction. Government can, and should, act to increase accountability (insist that programs receiving federal funds demonstrate they are effective) and increase service capacity in target areas, but the federal government is a very blunt and rather slow instrument for getting this done. The federally funded portion of the treatment system is estimated to be less than half the total national spending on drug treatment and federal measures for accountability and targeting must attempt to reach through multiple layers of bureaucracy – in the federal government, and in state and local governments.

In addition, more and more of the addict population seems to be a fixed, aging cohort, with a long history of addiction from early adulthood – so-called "hardcore" addicts. Many of them are addicted to a variety of drugs and suffer from a range of pathologies, including severe mental disorders. The best treatment programs can still offer some hope of recovery, but it is also likely that for a substantial percentage of the most severely addicted there may be no effective treatment today.

A long-term study of heroin addicts, published in 1993, highlights this problem in stark terms. Five hundred eighty-one narcotics addicts (most of them heroin addicts) were studied at intervals over 24 years. The group originally entered treatment through a criminal justice program, the California Civil Addict Program, between 1962 and 1964. A 1985-1986 follow-up study of this group found only 25 percent of them tested free of opiates, 6.9 percent were in a program of methadone maintenance (receiving the drug methadone to block the "high" resulting from heroin use and thus remove the strongest reason for such use), and 27.7 percent (of the group now in their late 40's) had died – and the mortality rate was accelerating. The researchers warn: "The results suggest that the eventual cessation of narcotics use is a very slow process, unlikely to occur for some addicts, especially if they have not ceased use by their late 30's."<sup>32</sup>

Another study of heroin addicts released last November found:

Only 15 percent of the heroin users in the study (23 of 150) had never participated in substance abuse treatment. Of the 85 percent who had received treatment, one-third (42 of 127) were currently enrolled in a treatment program. . . .

Among users with treatment experience, the median number of times enrolled in treatment was five. However, more than a fourth reported having been in treatment on more than ten occasions. One user reported 67 treatment experiences.<sup>33</sup>

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Treatment," (May 7, 1993). President Clinton's drug strategy completely ignores this problem.

<sup>32</sup>Yih-ing Hser, M. Douglas Anglin, and Keiko Powers, "A 24-Year follow-up of California Narcotics Addicts," *The Archives of General Psychiatry* 50 (July, 1993), 577-584. Quotation from page 577.

<sup>33</sup>"Heroin Users in New York, Chicago, and San Diego," 19

On August 9, 1993, Clinton Administration Drug Policy Director, Lee Brown, released a research paper, "Characteristics of Heavy Cocaine Users." That study contained a similar, sobering conclusion regarding the success rates of treatment programs for cocaine addicts:

... while many users benefit from treatment, compulsive use is most frequently a chronic condition. The Treatment Outcome Prospectives Study (TOPS) showed that for every 10 clients who used cocaine regularly during the year prior to treatment, six clients had returned to heavy use one year after treatment, and eight clients had relapsed into heavy use within three to five years after treatment. These statistics do not accurately reflect the success of treatment outcomes. (The TOPS study is the most recent large-scale study of treatment outcomes. Many smaller scale treatment studies show results with better long-term outcomes.) Nevertheless, the TOPS data suggest that **treated cocaine users are more likely than not to return to drug use.**<sup>34</sup>

Those who assert that "treatment is the answer" and those who advocate legalizing drugs and retrieving those who become addicted by expanding drug treatment, never confront the fact that **today a significant portion of those who are addicted to cocaine and heroin will die of that addiction, if treatment alone is the principal vehicle society employs to save them.**

The 1994 crime bill contained large sums for drug courts. These provisions were highlighted by liberals who announced that they were being "smart and tough." The model, and essentially the justification, for this funding was the Miami Drug Court and Attorney General Janet Reno's personal involvement with it as a prosecutor. But last August, as the crime bill fight was near its peak, the *Miami Herald* published a lengthy report raising serious questions about the effectiveness of the program.<sup>35</sup> In particular, the program established to divert first- and second-time drug offenders into treatment instead of prison was being used by robbers and burglars to serve as little as 45 days. And in December the *Herald* reported that the chief judge overseeing the Miami drug court order an audit of the entire program, expressing alarm that it "had no mechanism to measure whether it was succeeding."<sup>36</sup> A central flaw in the rush to embrace drug courts as a major answer to addiction and crime is that a very large number of addicted offenders today are long-term,

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<sup>34</sup>"Characteristics of Heavy Cocaine Users," Emphasis added.

<sup>35</sup>Jeff Leen and Don Van Natta, Jr., "Drug Court: Favored by Felons," *The Miami Herald*, August 29, 1994, 1A.

<sup>36</sup>Jeff Leen and Don Van Natta, Jr., "Controversial Drug Court," *The Miami Herald*, December 18, 1994, 24A.

hard-core addicts who are poorly suited for diversion programs. Drug courts, properly run, may hold promise for treating young addicts. But young addicts are not the primary problem.

Last year, two groups of studies were released that purport to demonstrate the effectiveness of drug treatment and its superior cost-effectiveness to all other categories of drug-enforcement and supply control. One, funded by the California Department of Alcohol and Drug Programs, received attention for its conclusion that treatment "averages [a] \$7 return for every dollar invested." But it included both alcohol and drug addiction and was thus too broad to be enlightening in regard to the cost-effectiveness of treating cocaine, and particularly crack, addiction -- the most destructive addiction threat today. Moreover, the study relied on two sample groups with only a 50 percent and 46 percent response rate. Despite efforts to impute outcomes for nonrespondents from respondents, it is probable that the nonrespondents constitute very high -- with the precise level unmeasured -- treatment failures.<sup>37</sup> In addition, none of the sympathetic news reports noted that such "benefits-to-society-for-every-dollar-invested" studies for expenditures on prisons and jails have produced estimates as high as 17-1.<sup>38</sup>

A second, widely-reported study, was funded in part by the White House drug office, and conducted by the RAND Corp. It was entitled "Controlling Cocaine," and concluded that "[t]reatment is seven times more cost effective in reducing cocaine consumption than the best supply control program."<sup>39</sup> Most of the press reports on the release of this study failed to mention that even Clinton Administration drug office officials participating in the release distanced themselves from the reliability of the methods RAND used to measure the effectiveness of supply control programs.<sup>40</sup> And to my knowledge none of the press reports explained what the study actually found in regard to the effectiveness of programs treating cocaine addicts.

In reviewing all forms of cocaine treatment, RAND found that 20 percent of addicts continue using drugs while in treatment and only 13.2 percent of the cocaine addicts treated reduce their drug use below weekly or more frequent use (what RAND defined as "heavy use") during the year following their treatment. Overall, RAND reported, only "6 percent of heavy users leave heavy use each year [i.e., to something less than heavy use, not to be equated with no

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<sup>37</sup>National Opinion Research Center at the University of Chicago, "Evaluating Recovery Services: The California Drug and Alcohol Treatment Assessment (CALDATA)," April, 1994, 11.

<sup>38</sup>Charles H. Logan and John J. Dilulio, Jr., "Ten Deadly Myths About Crime and Punishment in the U.S.," *Wisconsin Interest*, 29

<sup>39</sup>C. Peter Rydell and Susan S. Everingham, "Controlling Cocaine: Supply Versus Demand Programs," Rand, 1994. The above quotation is from the RAND press release on the report, June 13, 1994, 1.

<sup>40</sup>ONDCP, "Statement of Fred W. Garcia, Deputy Director for Demand Reduction, White House Office of National Drug Control Policy, on the Rand Studies 'Controlling Cocaine: Supply Versus Demand Programs' and 'Modeling the Demand for Cocaine,'" June 13, 1994, 1-2.

use]. About two-thirds of that out flow is apparently due to existing treatment programs . . . [and] one third of the total annual outflow from heavy use is estimated to be due to unassisted desistance from heavy use."<sup>41</sup>

In other words, overall, cocaine treatment is only 4 percent effective in reducing heavy use and only two percent more effective in reducing heavy use than no treatment at all. Needless to say, if the effectiveness of cocaine treatment were measured in terms of the percentage of addicts who stopped using cocaine altogether and for good, these numbers would be much, much smaller.

While we should continue to support treatment programs, we need to face the harsh reality of cocaine and crack addiction: most addicts are likely to die from the effects of their addiction, sometime in their 40's, if not earlier. This is yet one more compelling reason why preventing casual drug use by young people -- the first step on the path to addiction -- is so important.

As long as the drug problem is discussed in terms of treatment vs. enforcement or supply vs. demand, it will remain fundamentally misguided. These dogmatic positions are at odds with both reality and commonsense. An effective drug policy should begin with this assumption: as long as young people and those who receive treatment reside in communities where the supply of dangerous, addictive drugs remains plentiful -- i.e., where there is de facto legalization -- prevention and particularly treatment efforts will be severely undercut and for purposes of national policy, ineffective.

#### **THE ILLEGAL DRUG TRADE, SUPPLY REDUCTION AND ADDICTION**

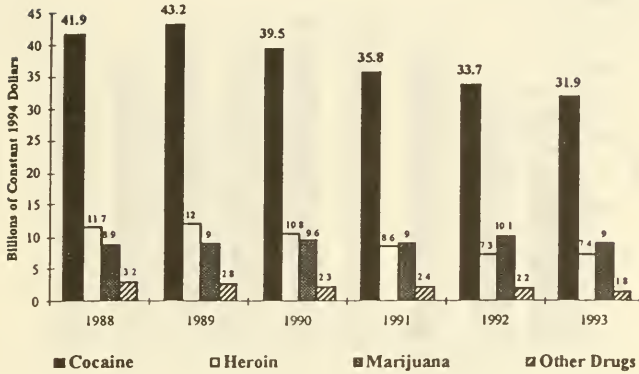
What is increasingly an addict-driven trade today is dominated by cocaine.<sup>42</sup>

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<sup>41</sup>"Controlling Cocaine," 20.

<sup>42</sup> William Rhodes, Paul Scheiman, and Kenneth Carlson, "What America's Users Spend on Illegal Drugs, 1988-1991" (Abt Associates, Inc., February 23, 1993), released by ONDCP, August 23, 1993, 10, table 1. This study has been updated with the data published in the *National Drug Control Strategy*, 1995, 145 (table B-14).

**ESTIMATED U.S. EXPENDITURES ON ILLICIT DRUGS,  
1988-1993**



Three-fifths of the total spent on illegal drugs is spent on cocaine – and today that means crack. And as it turns out, actual reductions in the population of heavy cocaine users seem to have come not from treatment programs, but from the very supply reductions efforts President Clinton is now dismantling.

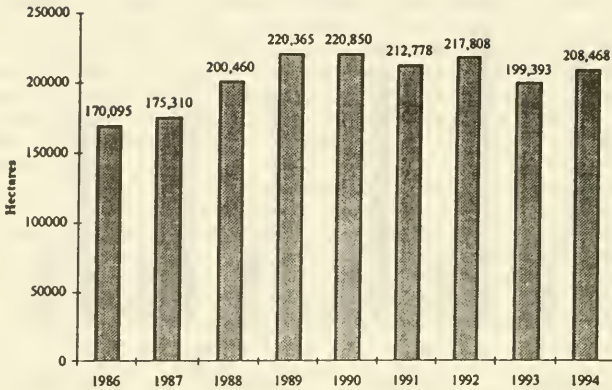
Working with cocaine source countries (Colombia, Peru, and Bolivia) on reducing coca<sup>43</sup> crops stopped the increase in cultivation that occurred during the 1980's, but did not substantially reduce the crop size as a whole.<sup>44</sup>

<sup>43</sup>Coca is a bush whose leaves are processed to extract cocaine

<sup>44</sup>U.S. Department of State, *International Narcotics Control Strategy Report* (INCSR), 1995. This chart and the next four charts are based on the INCSR data and unpublished analyses by the staff of ONDCP's Office of Research, undertaken during the Bush Administration



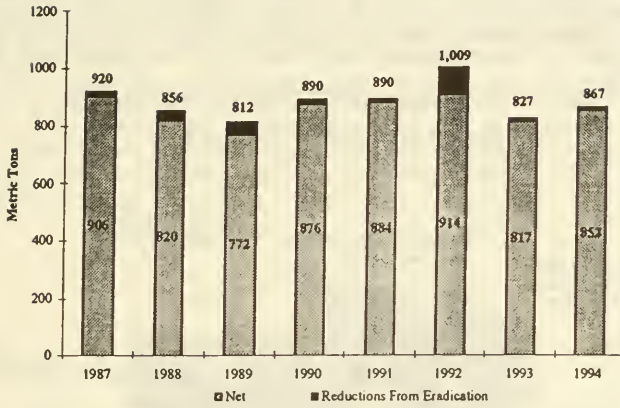
## TOTAL COCA CULTIVATION



Eradication of plants under cultivation had been a principal emphasis of U.S. anti-drug policy in the 1980's. It produced very poor results, however. It was continued, where feasible, during the Bush Administration, even as interdiction and attacks on traffickers' organizations and infrastructure were launched. Since 1987, eradication efforts in cocaine source countries have produced less than a 10 percent reduction in estimated potential cocaine production, and it only came close to 10 percent in one year -- 1992. That fact did not prevent the State Department from minimizing the results of interdiction and arguing for greater emphasis on eradication in its latest *International Narcotics Control and Strategy Report*, however.<sup>45</sup>

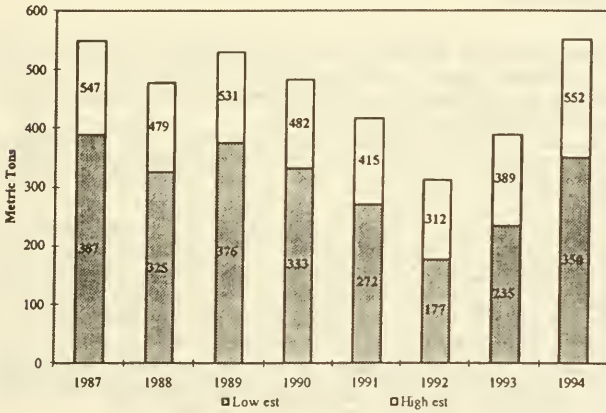
<sup>45</sup>See: "The Case for Coca Eradication," *INCSR*, 1995, 8.

## POTENTIAL COCAINE PRODUCTION



Interdiction of cocaine within the source countries and in transit from them to the U.S. has substantially reduced the potential supply of cocaine that could arrive on American streets, however.

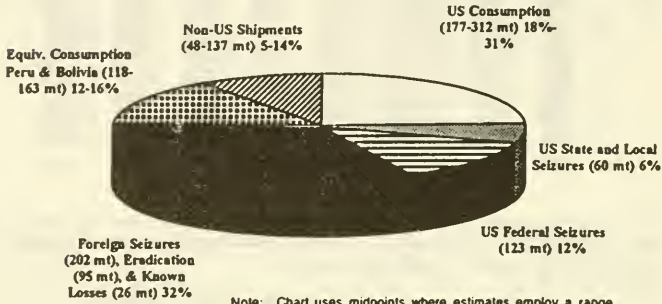
## ESTIMATED COCAINE AVAILABLE TO THE U.S. MARKET



What could arrive, based on what could be produced, minus what was seized, declined between 1989 and 1992. The biggest areas of increased seizures has been in South America, and U.S. assistance, particularly military detection and tracking assistance, supported interdiction throughout the hemisphere and even contributed to forced losses in the face of imminent apprehension by authorities.

In 1992, half or more of potential cocaine production was seized.

#### ESTIMATED COCAINE DISTRIBUTION, 1992



Sources: INCSR, EPIC, & ONDCP

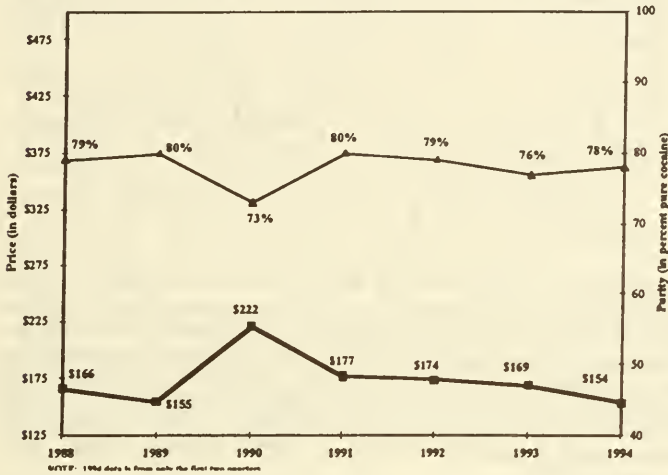
Not only has interdiction stopped almost twice as much cocaine as that actually consumed, supply reduction efforts actually seem to have contributed to a reduction in cocaine emergency room cases and a reduction in the population of cocaine addicts.

In August, 1989, what is widely believed to have been the Medellin Cartel, led by Pablo Escobar, carried out the assassination of Colombian presidential candidate, Carlos Galan and publicly declared war on the Colombian government. In response, Colombian-President Virgilio Barco launched the broadest and most intense attack on the cocaine cartels in history. Shortly after that crackdown began, the U.S. military deployed the most extensive detection, tracking, and interdiction effort ever mounted, against cocaine transit from the Andean countries north. These events produced a substantial disruption in the cocaine supply to the U.S. from the very end of 1989 into 1991, although there are no exact measures of the magnitude of that disruption (and the previous estimates of potential production cannot fully capture it). Nonetheless, there are important indicators of significant disruption with beneficial consequences, particularly for heavy cocaine users.

Reductions in the supply of cocaine would be reflected at the retail level by an increase in street prices, a decline in purity, or both, or by scarcity, if the disruption is large and sudden enough. During the activities listed above there were periodic reports by law enforcement agencies that cocaine trafficking groups they had under investigation were experiencing problems securing cocaine or securing it in a timely manner, even at a higher price. These reports could not be rendered as precise empirical data, however.

But DEA does compile data on cocaine prices throughout the nation and reports that data on a quarterly and yearly basis. This data reveals that in gram amounts – the accepted retail quantity – the downward trend in prices and upward trend in purity through early 1989 abruptly reversed.<sup>46</sup>

RETAIL COCAINE PRICE AND PURITY IN THE U.S., 1988-1992



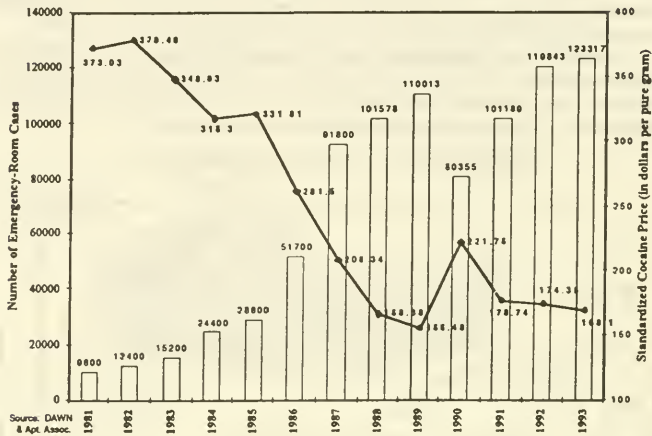
The magnitude of this change in availability is perhaps best represented by using a standardized price; that is, a price that reflects both price and purity changes by calculating the cost of a 100 percent-pure gram of cocaine at each point of measurement.<sup>47</sup> And this reduction in the availability of cocaine –

<sup>46</sup>Unpublished results of an ONDCP-funded analysis of data from DEA's System to Retrieve Information from Drug Evidence (STRIDE). The analysis was conducted by Abl Associates, Inc.

<sup>47</sup>*Ibid.*

driving the price up and the purity down -- coincided with a 27 percent reduction in cocaine emergency room mentions between 1989 and 1990.<sup>48</sup>

COCAINE EMERGENCY-ROOM CASES AND STANDARDIZED COCAINE PRICE,  
1981-1993



Medical examiner reports of deaths related to cocaine use during this period also declined. Analysis initiated by ONDCP and released in the publication "Price and Purity of Cocaine: The Relationship to Emergency Room Visits and Deaths, and to Drug Use Among Arrestees,"<sup>49</sup> found cocaine price increases, purity reductions and declines in cocaine emergency room cases, deaths, and cocaine use among arrestees for all the more than 20 largest U.S. cities for which the data is available. Further, this cocaine supply reduction also coincides with the estimated decline in number of heavy cocaine users previously cited.<sup>50</sup>

Several general points must be emphasized here. First, this analysis is limited by the available data. Nonetheless, the reduction in cocaine availability

<sup>48</sup>Office of Applied Studies, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, "Estimates From the Drug Abuse Warning Network: 1992 Estimates of Drug-Related Emergency Room Episodes," (Advance Report Number 4, September, 1993), 45.

<sup>49</sup>ONDCP, "Price and Purity of Cocaine: The Relationship to Emergency Room Visits and Deaths, and to Drug Use Among Arrestees," October, 1992.

<sup>50</sup>National Drug Control Strategy, 1995, 139 (table B-4).



seems beyond question and that it was a key causal factor the decline in cocaine use, particularly heavy use, is the most obvious and reasonable conclusion in light of the data. But this cannot be "proven" with the precision that might be demanded in circumstances where the available data were more extensive.

Second, it should be remembered that cocaine price and purity is affected by both supply and demand. We know from the National Household Survey on Drug Abuse that casual or non-addictive use of cocaine was dropping dramatically immediately prior to and during this period. While non-addictive users consume a much smaller quantity of cocaine than heavy or addicted users, an almost 80 percent drop in non-addictive users between 1985 and 1992, certainly reduced demand in a significant, if limited extent (which is not measurable by existing surveys and analyses). In order to increase cocaine retail prices and reduce purity, supply reduction efforts would have to cut supply beyond the amount that would have satisfied the reduced demand. So the actual supply disruption may be greater in magnitude than the magnitude of the change in the price and purity data.<sup>51</sup>

Finally, we should ask, do most prominent cocaine traffickers have sufficient market control to manipulate prices by controlling supply? If they do, price and purity reports cannot be used to indicate market disruption directly and may be of no use at all for this purpose. There is no definitive knowledge of the extent of traffickers' ability to manipulate the cocaine market. In smaller transactions and at the wholesale level in particular areas, law enforcement investigators have reported efforts by particular groups to influence prices by withholding supply, but these have been limited in both scope and duration. There is no evidence of either large-scale efforts to manipulate availability or the ability to do so.

The cost of the entire international drug control effort for programs and assistance to foreign countries rose from \$209 million in fiscal year 1988 to \$660 million in 1992 (its peak); it moved from 4.4 percent to 5.6 percent of the federal drug control budget. Interdiction costs increased between 1988 and 1992, but almost that entire increase involved the estimated cost of Department of Defense (DOD) activities in support of the anti-drug effort. And even with this increase, interdiction costs as a percentage of the federal drug control budget declined between FY 89 and FY 92.

If measured strictly by results, our national prevention efforts produced the most outstanding achievements -- dramatic declines in casual cocaine use

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<sup>51</sup>The decline in heavy cocaine use in the face of increased price indicates an important difference between casual and addictive use. As long as cocaine is easily obtainable, it seems that casual users not deterred by prevention efforts are unlikely to be deterred by even moderate increases in street-prices. This is probably because they are paying so little of their disposable income on the drug, such price increases do not affect their ability to obtain it. Many heavy users, on the other hand, are using most of their disposable income to purchase cocaine (crack). When the price goes up they generally have to make due with less of the drug. This leads some of them to enter detox and treatment and apparently reduces the rate at which those who continue using suffer the health problems that cause them to appear at emergency rooms.

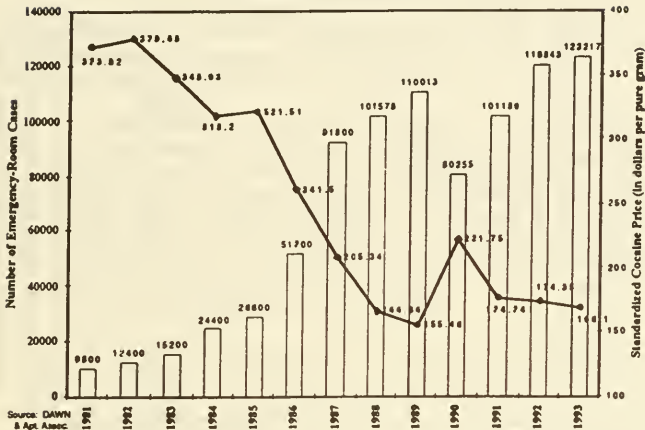
in particular -- and, contrary to conventional opinion, interdiction and cocaine source country programs seem to have been the crucial cause of the only reductions in heavy or addictive cocaine use.

Why didn't the reduction in cocaine supply continue throughout 1991 and beyond? The movement of U.S. military resources to the Persian Gulf for Desert Shield and then Desert Storm, beginning in the summer of 1991 reduced interdiction coverage, particularly in regard to some of the most powerful airborne and surface naval systems. Those resources were never returned to previous levels and although there were plans within ONDCP to make this a major policy issue for Presidential decision in connection with the FY 1994 Strategy, but the Administration ended before that Strategy was crafted. In addition, without going into all the activities of the Andean Strategy, the crucial pressure on the traffickers applied in Colombia, declined, first, because a significant police and military forces had to be diverted to providing security for a national election and a constitutional referendum. And later -- after the surrender of several major traffickers -- security forces focused, twice, on a manhunt for Pablo Escobar (before his first surrender and after his escape). This is not to say that all pressure on the cocaine trade in Colombia ended in 1991 -- it did not. Even the imperfect cocaine production estimates show that considerable damage was done to trafficker activities, but the damage fell short of the magnitude of the 1989-1990 period and was hampered by protracted difficulties in initiating meaningful Peruvian anti-drug efforts.

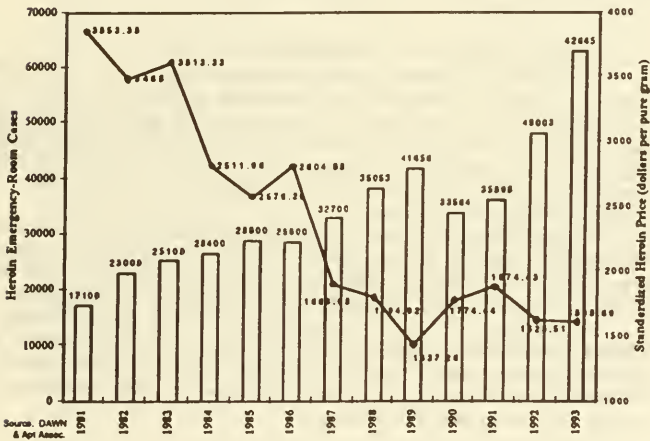
Today, all of the source country governments are reducing their performance against the cocaine trade and there is no visible effort by the Clinton Administration to prevent the utter disintegration of the most effective international anti-drug partnership of the last decade. If President Clinton lets source-country programs collapse, we face the prospect of foreign nations permitting the unchallenged production and shipment of illegal drugs to the U.S. and throughout the world; in short, uncontrollable supplies of illegal drugs.

And the supply of drugs -- measured in their retail price and purity (which can be stated as their standardized price as cited above) -- bears a direct relationship to the number of people who will enter emergency rooms with drug-related emergencies.

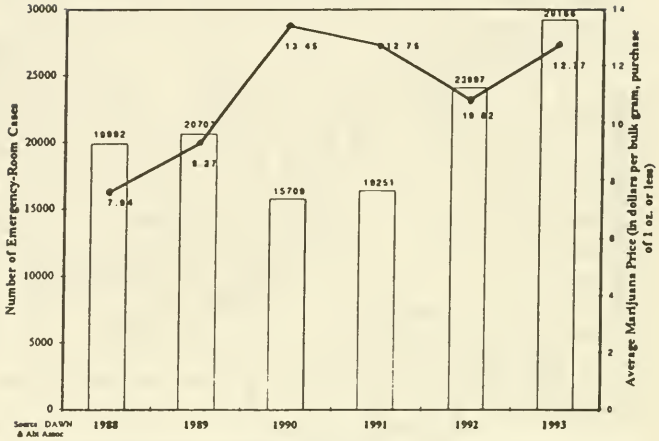
COCAINE EMERGENCY-ROOM CASES AND STANDARDIZED COCAINE PRICE,  
1981-1993



HEROIN EMERGENCY-ROOM CASES AND STANDARDIZED HEROIN PRICE,  
1981-1993



MARIJUANA/HASHISH EMERGENCY-ROOM CASES AND AVERAGE MARIJUANA PRICE, 1988-1993



In short, greater supply means greater demand.

#### WHAT IT WILL TAKE TO FIGHT A REAL DRUG WAR TODAY

Through its indifference to rising drug use and its erosion of the moral and governmental foundations of the successful anti-drug efforts of the past two administrations, the Clinton Administration has put the nation on a dangerous path. And the Administration's 1995 *National Drug Control Strategy* fails to face and utterly fails to present a serious plan to correct the current problems in prevention, treatment, law enforcement, interdiction, and international anti-drug programs.

The President bears the principal political responsibility for this record. And only he can use his office to begin to correct it. Congressional leaders in both parties should give him every possible incentive to do just that. If the Clinton Administration does not see the light, it should feel the political heat.

As the past two years demonstrate, the nation cannot sustain an effective anti-drug effort without leadership. Congress, governors, mayors, and community leaders, need to meet this challenge. There are specific roles to fill for federal, state, and local governments, as well as the private institutions that support our families and communities.

### ***Restoring effective federal action***

The cornerstone of national anti-drug efforts is to give force to the principle that drug use is wrong, harmful and will not be tolerated. This principle should be embodied in the institutions of society, which, in turn, should be organized to give force to that principle. Without the federal government doing its part, this endeavor will be much more difficult.

1. While efforts by the federal government are not sufficient, they are a necessary element of an effective national anti-drug effort. Executive leadership begins with the president and his appointees in relevant executive agencies. The White House drug policy office was created -- at the insistence of a Democratic Congress -- to organize and lead the war on drugs. Right now that office is not doing its job, and the Clinton Administration has made it largely irrelevant. The President should give someone the responsibility and the authority to get the executive branch, and the federal government, back in the fight.

2. The world headquarters for the cocaine industry is Colombia. The era of meaningful partnership with that government has ended. And there are reliable press reports that the current president of Colombia received campaign money from the cartels. But the heart of the matter today is that U.S. and Colombian enforcement agencies know who the leaders of the cartels are and where they are. The Colombians could arrest or force into hiding the management of the cocaine industry, and disrupt the cocaine trade as they have done in the past. But there is no evidence the Colombian government has any intention of doing so. Occasional showy enforcement operations continue, but no real efforts are mounted and therefore no real progress is made.<sup>52</sup> The U.S.

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<sup>52</sup>The record of Colombia's failure has been detailed in a wide variety of reports in addition to its treatment in the 1995 *INCSR*, see:

David L. Marcus, "Drug Traffickers' Grip on Colombia Tightens," "Colombian President in Drug Lords' Pocket, Officials Say," "Heroes and Victims: Cocaine Trade Brings Highest Earnings, Deadliest Toll to Colombia," "Killer Drugs: Narcotics Trade Destroys Every-Day Life in Colombia," "Only the Good News: Censorship Bars Press From Reporting on Drug Trade," "Fight for Clean Flights," "Steep Price, Low Return: U.S. Wastes Millions in Colombia Drug Fight, Officials Say," "Drug Money's Influence on Constitution Seen," *The Dallas Morning News*, February 26, 1995, 1A, 32A, 33A, 1J, 10J and February 27, 1995, 1A, 6A, 1D, 4D, and 1H.

Majority Staff Report on Colombia's anti-drug performance, Committee on Foreign Relations, United States Senate, February 27, 1995.

John P. Sweeney, "Colombia's Narco-Democracy Threatens Hemispheric Security," *Backgrounder*, The Heritage Foundation, March 21, 1995.

Jim McGee, "The Cocaine Connection, The Cali Cartel in America: Drug Smuggling Industry is Built on Franchises," "The Cocaine Connection, Murder as a Management Tool: Violent Streak Raises Cali Cartel's U.S. Profile," "The Cocaine



government has done virtually nothing to give the legitimate interests in Colombian society reason to undertake the risk and effort of making their government put the cocaine trade out of business. It is time to give them such a reason. During the recent embargoes on Iraq and Haiti, experts warned that these measures are most effective when applied rapidly and totally against a trading ally. The U.S. accounts for 37 percent of Colombia's licit foreign exports. We need to tell the Colombians, in effect: "Stop sending the cocaine, or you can keep everything else." Such action against Colombia would change the priority of anti-drug efforts throughout the international community. Colombia is not the only nation failing to cooperate as it should -- but it is the worst. It deserves to made an example of a renewed U.S. resolve against the international drug trade and it is easier to make it such an example than some others.

3. Put the U.S. military in charge of stopping the flow of illegal drugs from abroad. Require federal law enforcement agencies responsible for drug interdiction to operate under the overall command and control of the military -- and provide the necessary resources to do the job. This mission will require continuous adaptation because traffickers will inevitably try new avenues as the old ones become too costly. Some in the military will object to this non-traditional mission and its cost. But no law enforcement organization will ever have the intelligence and operational capabilities for the interdiction task that the military already possesses. Over the last few years the U.S. has used its military resources to protect poor and endangered citizens of other countries. It is time -- it is past time -- to stop overlooking the poor and endangered in our cities.

4. The drug trade inside the U.S. relies on sophisticated senior management. Despite periodic law enforcement successes, federal domestic enforcement agencies have produced no serious disruption of major trafficking operations. And for the last two years the Clinton Administration has allowed the DEA, FBI, and other drug enforcement agencies to curry political favor with local authorities by assigning federal personnel to augment manpower for cases with no federal significance. This might be acceptable if important federal responsibilities were being met. But they are not. We therefore need to establish clear federal drug enforcement priorities and hold enforcement authorities accountable for meeting them. For example, the Attorney General should be required to prepare a report every six months identifying all major drug trafficking organizations known to be operating in the U.S. and a plan to deploy federal enforcement personnel to dismantle them. Congress should

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Connection, Lawyers Under Scrutiny: Cartel-Related Probe Focusses on D.C. Law Firm," *The Washington Post*, March 26, 1995, A1 and A20, March 27, 1995, A1 and A12, March 28, 1995, A1 and A 8.

also make the funding for federal drug enforcement agencies contingent on effectively implementing this policy.<sup>53</sup>

5. The Congress should combine existing federal aid to the states and localities for drug enforcement, prevention, and treatment (now, roughly \$3.5 billion per year) into a single block grant distributed on the basis of population. Individual program mandates should be abolished so states and localities can establish and pursue their own priorities for fighting drug use and drug crime. Law enforcement, drug treatment, and prevention education are local responsibilities. Washington's bureaucratic regulation has utterly failed to engender programs that foster local accountability. Therefore, the new block grant should be designed to restore local responsibility by phasing them out after three years. In this way, communities will have an incentive to use these funds for those activities that demonstrate sufficient merit to deserve long-term support entirely from local sources.

### *Creating effective local action*

6. Drug prevention is central to all effective anti-drug efforts. Young people who do not use drugs in their teens are unlikely to ever become involved with illegal drugs. But each generation must be taught that illegal drug use is wrong and harmful. This lesson must be taught by the community as a whole; indeed, by our culture. Children learn about drugs by what the adults around them as a whole say and do. Parents teach by precept and example. The same is true of schools and the communities. If drug use and sale is not aggressively opposed and prevented, children learn it is acceptable, despite what some adults may occasionally tell them. Teaching drug prevention must be a part of teaching children right from wrong. It will always fall to parents to provide that education in the home and act to ensure that schools and their communities are teaching this lesson effectively. This task is easier if national leaders set the right example and speak in support of parents. But since that national support has seriously eroded, parents, churches, schools, youth organizations, and communities are more important than ever. They have always been, and will always remain, the first line of defense for children.

7. Open-air drug markets feed addiction and are a visible sign of the toleration of the drug trade in our nation. It is a national disgrace that such markets are tolerated in virtually every major American city. Drug pushers cannot operate effectively when law enforcement personnel are

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<sup>53</sup>Attorney General Dick Thornburgh prepared a report something like this which he released August 3, 1989 ("Drug Trafficking: A Report to the President of the United States"). But it was not made a battle plan for federal drug enforcement.

present. Forcing drug deals from open spaces makes their lives more difficult and dangerous and hence their activities less frequent. Many communities have demonstrated that creating a law-enforcement presence and maintaining it in response to relocation efforts by drug dealers is doable -- but only if closing drug markets is made a priority. In the next year, mayors, city councils, and police chiefs should pledge to close all open air drug markets in their communities. Citizens should demand such a pledge and make clear that they will insist that these officials keep it. We need to stop claiming that the crime and drug problem in our communities is someone else's responsibility. Decisive action can be taken by local officials and community members now.

8. Drug testing is a proven tool to discourage drug use by individuals in treatment and those in the criminal justice system. Good treatment programs require regular testing and apply sanctions against individuals who relapse. Drug testing arrestees provides a basis for using bail, sentencing, release conditions and other aspects of the criminal justice system to compel individuals to stop using drugs. Including an extended period of regular testing after convicted drug-using offenders complete their sentences, discourages a return to drug use and crime. Positive drug tests must involve steadily escalating penalties (starting with a one or two-day return to jail or a half-way house and moving to reincarceration for an extended period). Most heavy drug users pass through the criminal justice system and any short-term costs of creating temporary detention facilities for the enforcement of a drug testing program will save larger costs to the community in repeated criminal justice expenditures on the same individuals and the damage their crimes do to the innocent.

These eight steps -- involving federal, state, local, and individual action -- will begin to reverse the dangerous resurgence of drugs that has occurred during President Clinton's watch. These actions will help turn the country away from its present course and go a long way toward making progress in the war on drugs. And that, in turn, will help America to become a safer, more decent and more civilized society.

Thank you.

Washington, D.C.  
March 29, 1995

From: Eduardo Valle Espinosa, Mexican journalist, *El Financiero*, Mexico City, and Zeta, Tijuana, Baja California.

For: House Committee on International Relations, Subcommittee on Western Hemisphere

### Drug Trafficking and Political Security in North America

I appreciate the kind invitation from Mr. Dan Burton and the Western Hemisphere Subcommittee of the U.S. House of Representatives. I accept it as a Mexican aware of my responsibilities as a citizen and journalist. And also of all the risks in dealing with such delicate matters.

On May 1, 1994 I resigned from my position as personal advisor to the Attorney General of the Republic; in that document, published in *El País*, I noted that Mexico was suffering from a type of "narco-democracy." Some weeks before, my friend Luis Donaldo Colosio, PRI candidate for the Presidency of the Republic, had been assassinated. In the resignation I pointed out: "After what has been learned in this period of time I ask: when will we have the bravery and political maturity to tell the Mexican people that we are suffering from a type of narco-democracy? Will we have the intellectual ability and ethical fortitude to state that Amado Carrillo, the Arellano Felixes and Juan Garcia Abrego are, in an inconceivable and degrading manner, driving forces and even pillars of our economic growth and social development?"

"That nobody can outline a political plan in which the heads of drug trafficking and their financiers are not included, because if they do so they die. Perhaps soon that conclusion will be reached in relation to the events of March 23 in Tijuana..."

My work as the personal advisor to Attorneys General Carpizo and Valadez (February 1993 to May 1994) had to do with planning intelligence and information policies for the Attorney General and, from June of 1993, heading a special group of the Attorney General's Office to destroy one of the most important multinational criminal enterprises in Mexico (the Gulf Cartel, headed publicly by Juan Garcia Abrego, for some weeks on the list of the FBI's 10 most wanted criminals.) The unit was made up of four federal prosecutors and around 30 Federal Judicial Police agents. The results of our work are public: we arrested scores of members and right-hand men of that multinational criminal organization, we managed to keep in jail two of its main assassins and right-hand men and we paralyzed to a large extent its activities of smuggling cocaine into the U.S. The most important: we fully identified the criminal, financial and political operation network of that criminal organization, including its

protectors within the Office of the Attorney General of the Republic and in the Federal Judicial Police. And in the Secretariat of Communications and Transportation, vital for the drug trafficking activities of its multinational criminal organization. The then President of the Republic, Carlos Salinas de Gortari, and Drs. Jorge Carpizo and Diego Valadez were informed of the essential results of our work.

I must point out that our unit collaborated frankly and honestly with the DEA, the FBI and the U.S. Customs Service without ever asking for anything in return. Absolutely anything. All the relevant intelligence material related to Colombia, Central America, the United States of America, and even, at critical moments, related to Mexico, was handed over to the U.S. agencies.

Once the general files of my office were handed over in Mexico, I crossed the Mexican-U.S. border on June 5, 1994. Before that I had transferred to the U.S., in the custody of the Customs Service in Brownsville, Texas, thousands of pages of legal and intelligence documents (including the DEA Pen-Link Report, case TD-87-0007), directly and vitally related to this criminal organization operating in Mexico, Canada and the United States. Once in U.S. territory that documentation has been in my sole and personal custody; I have looked after it as much as my life, knowing its strategic value.

Mexico, Canada and the U.S. have signed a North American Free Trade Agreement. A new historic space has been created that has immense implications of all types for hundreds of millions of persons in those three countries. There are new meanings in geopolitics, economic, political and cultural development and national security. In juridical and diplomatic terms a road for integration has been formalized, initiated decades ago by Mexico and the U.S., which has immense repercussions on the life of three peoples. On that road there are two obstacles: organized crime, which is evident in the multinational criminal enterprises. And the Crisis of Mexico.

Mexico has two million square kilometers and almost 90 million inhabitants, most of them young. A key nation for the Caribbean and the Pacific, North America and Latin America, Europe and Asia; with 10,000 kilometers of coast, 3,000 of border with the U.S. and hundreds of kilometers of border with Guatemala and Belize. It is a nation with jungles, deserts and plains, mountains and rivers, petroleum and mines. With fruits, flowers and beaches that some of you have not dreamed of. With a multicultural formation of 3,000 years. It is a mosaic of reflections, regions, peoples and customs. A proud people of mixed race. Mockers of death; capable of working without rest. That is the people now with an association with the nation that was born from the minds of Thomas Paine, George Washington and Benjamin Franklin.

Mexico is now experiencing a crisis that goes to its core. In 1970, we Mexicans totaled less than 50 million; today there are 90 million of us. Since those years the per capita product in agriculture and ranching has not been growing at the necessary pace. And, at the same time, especially since the "oil boom" of the 1970s and the entry into GATT in 1986, we have had a new situation in relation to the world economy. The State and the perception of politics have changed: the patrimonialism ("the State belongs to the PRI revolutionary family") has lost strength and ground. Democratic freedoms, including the extremely important freedom of expression and, of course, the freedom of the press, are more and more a daily practice of the citizens. Politics (in spite of the weakness of the party system and the concentration of power in the Presidency of the Republic) is more and more a "public thing." The system of real



guarantees for citizens, regarding the action of those governing, is being reformed and strengthened.

So where are the greatest problems? In my opinion, in the narco-democracy and the inability to generate internal savings. Which has led to the perversion of the economic system, in which the criminal economy (drug trafficking and political corruption) and speculative economics (high interest rates, flow of "dirty money" and growing foreign debt) are taking on more importance.

When in the U.S. a minimum of 600 tons a year of cocaine is consumed and this represents (in wholesale, not street, prices) a figure of 12 billion dollars a year and there is a like amount in heroin and yet another amount in marijuana, hashish and other narcotics, then we are talking of a criminal economy of hundreds of billions of dollars a year (at street prices). And through my country pass most of the drugs consumed in the United States.

What to do with the 2,000 miles of border that are languishing thanks to the power of money, terror and drug politics? And, it is verified that the border is languishing on both sides. Not just on the Mexican side. Or on the Canadian in the north.

End NAFTA? Drug trafficking is previous to NAFTA and, in fact, thanks to NAFTA today we can act in common agreement in the three nations to act seriously, in a radical and responsible manner, against the great multinational drug trafficking enterprises. And against the politicians who use and are used by drug trafficking and organized crime. Against the narco-democracy set up in my country and that could threaten Canada and the U.S.

Let us understand: the great challenge for the State--the great challenge for political thought at the end of the 20th century--is organized crime. If by itself power corrupts and absolute power corrupts absolutely, when power is mixed with crime and the fabulous and gigantic businesses of drug trafficking, then all of society is in danger. More drugs in the streets and more violence in the schools and communities could mean more political corruption in the national states and the international community. I am sure that that is happening; that is my experience. That has already happened in Colombia, Mexico, Honduras, Panama. Why can't it happen in the U.S. and Canada? Can someone state that that is not exactly what is happening here now, when we all know the relations between drug trafficking and intelligence agencies; between "dirty money" and world finances?

Mexico's crisis is deep and sweeping. An indispensable element for us Mexicans to begin to resolve it is international understanding, sincere and realistic, of causes, circumstances and results. Everything that supports the development of our legitimate and productive economy, everything that minimizes the strength of the criminal and speculative economies; all international actions that serve for dismantling the strength of the drug traffickers and their representatives inside the State of Mexico (and of other national states) will serve to promote in practice democracy and the development of the Mexican nation, an essential part of that new historic space that is called North America.

I thank the Chairman of the Subcommittee, Representative Dan Burton, and its members, for listening to me with so much patience.

ISBN 0-16-047318-7



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